

February 2019

1. The NASUWT welcomes the opportunity to submit written evidence to the Children, Young People and Education (CYPEC) committee inquiry into school funding.
2. The NASUWT is the largest teachers' union in Wales representing teachers and school leaders.

GENERAL COMMENTS

3. The NASUWT believes that there is a clear moral purpose for publicly provided education. Education should meet the needs of all children and young people on a fair and equitable basis, irrespective of where they happen to live. Education should contribute to the achievement of the country's local, national and international needs and aspirations, whilst also enhancing the lives and life chances of all children and young people.
4. The mechanism by which state schools are funded, including the arrangements for determining distribution of funding at the local level, is critical to securing an inclusive and world-class education system, operating in the public interest and contributing to the maintenance of a democratic, just and inclusive society. These mechanisms must operate and be seen to operate in the interest of all schools, all pupils and in the wider public interest.
5. In examining the appropriateness of the funding mechanism for schools, the NASUWT believes that the funding mechanism for schools must:
 - i. contribute to raising educational standards for all pupils and narrow the achievement gap;
 - ii. provide equality of opportunity for all learners;
 - iii. secure value for public money in relation to educational provision and reduce the burdens on, and risks to, the public purse in the short, medium or long term;
 - iv. ensure the provision of high-quality education and related support services for children and young people, including those currently provided by local authorities;

- v. provide for the operation of the national pay and conditions frameworks for teachers and headteachers and enable schools to recruit and retain a high-quality workforce; and
 - vi. enhance democratic participation and accountability.
6. The NASUWT considers that it is the responsibility of government to design a fair system of school funding. Nevertheless, to ensure fairness and equity of entitlement for all pupils, the NASUWT believes that the funding mechanism for schools must:
- i. provide equality of opportunity and equitable access for all learners, including through the provision of a broad and balanced curriculum, and contribute to raising educational standards for all pupils and narrow the achievement gap;
 - ii. ensure that all schools are funded on the same basis, irrespective of their legal or governance status, which should not result in anomalies between schools where their needs and circumstances and the expectations upon them are the same;
 - iii. reflect the additional costs related to pupil deprivation, socio-economic circumstances, school location and setting;
 - iv. ensure the provision of, and access to, high-quality education and related support services for children and young people, including vulnerable children;
 - v. provide equality of entitlement for all learners to be taught by qualified teachers and for the recruitment, retention and development of a world-class workforce in every school or setting as critical components in delivering better outcomes for all children, and that these entitlements must not be based on parents' ability to pay;
 - vi. be clear and transparent so that school budgets are based upon clearly identified and agreed sets of expectations about what work schools should do and the performance expectations that will apply to them;
 - vii. enable fair, open and easy comparisons to be made with regard to the income and expenditure of different institutions or sponsors;
 - viii. be fit for purpose, taking account of local circumstances and needs and the expectations on schools and local authorities, while promoting public and professional confidence in the system;
 - ix. be sufficient in ensuring that the global amount available for the funding of schools takes full account of education priorities and needs and promotes fairness, equity, inclusion and social cohesion;

- x. ensure that changes to the funding for schools do not result in detriment to colleges or early years provisions, which are also essential in providing education for school-aged pupils;
 - xi. be responsive to changing needs and circumstances;
 - xii. be predicated on consultation and democratic involvement at national, local and institutional levels, including full recognition of school workforce trade unions;
 - xiii. promote stability for schools and enable schools to plan and organise their priorities in the longer term, and help to minimise turbulence;
 - xiv. support the best use of resources, through arrangements for strategic planning of local provision, institutional collaboration, economies of scale and the pooling of resources to meet locally identified educational needs; and
 - xv. ensure that schools in receipt of state funding should not be able to make a profit and that they demonstrate the provision of good value for money.
7. The NASUWT believes that the principles underpinning the national arrangements for the funding of schools should also confirm that the funding system will ensure the provision of, and access to, high-quality education and related support services for children and young people, including vulnerable children. This is particularly important in the context of ensuring high-quality support for children, young people and families, which has historically been provided by local authorities.
 8. The NASUWT also asserts that local circumstances and needs, and the expectations on schools and local authorities, must be appropriately considered and taken into account. Whilst the needs of individual pupils should be an important consideration in the funding of schools, it should not be the primary consideration. The context in which schools operate, including local area needs and circumstances, has an important bearing on how schools perform and the support they are able to call upon, as well as in terms of how barriers to learning can be addressed.
 9. It is also essential that the quantum of funding is sufficient and that the global amount available for the funding of schools takes full account of education priorities and needs and promotes fairness, equity, inclusion and social cohesion.
 10. The funding allocation arrangements should promote stability for schools and enable schools to plan and organise their priorities in the longer term (through multi-year budgeting arrangements), and help to minimise turbulence and other adverse effects. Levels of provision within schools

should be protected from the major resource shifts arising from modifications to the funding system. The funding arrangements should seek to cushion schools from demographic, social and economic fluctuations, which might otherwise trigger avoidable or unnecessary changes to staffing, curriculum provision, admissions and school organisation.

11. Funding allocations should be responsive to changing needs and circumstances but the Welsh Government needs to be more proactive in its workforce planning, particularly since the devolution of teachers pay and conditions to Wales.
12. The need to ensure a fit-for-purpose funding distribution methodology must not, in our view, remove the need to ensure that the funding quantum provided for schools is sufficient.

SPECIFIC COMMENTS

13. The NASUWT has identified that the CYPEC wishes to receive views on the questions that follow.

The sufficiency of provision for school budgets, in the context of other public service budgets and available resources

14. The NASUWT is of the considered view that the settlement of the quantum for schools should, at a minimum, be in line with the gross domestic product (GDP) average within the Organisation for Economic Co-operation and Development (OECD), keep pace with domestic inflation and provide a basis for continued service improvement. There should be no decrease in the share of national wealth spent on education.
15. The NASUWT supports the recommendation by Education International and other bodies that spending on education should equate to a minimum 6% of GDP.
16. In 2017 the gross value added statistics for Wales (equivalent to GDP for UK regions) was £62,190 million.¹ The Gross schools expenditure was budgeted to be £2,543 million.² This results in an expenditure rate of 4.1% compared to GDP equivalent. Whereas this does not take into account central government funding the Welsh Government and local authorities in Wales should be allocating more than £3,700 million to ensure that schools in Wales are funded to the EI recommendation.
17. The shortfall in school budgets in Wales is exemplified by the statistics on teachers in post in Wales. Since 2010 the number of pupils in school in Wales has decreased by only 29 pupils from 467,141 to 467,112 in January 2018. Over

¹ Office for National Statistics, *Regional economic activity by gross value added (balanced), UK: 1998 to 2017*, December 2018. <https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalanceduk/1998to2017#main-points>

² Stats Wales, *Local Authority Budgeted Expenditure on Schools: 2017-18*, <https://gov.wales/statistics-and-research/local-authority-budgeted-expenditure-schools/?tab=previous&lang=en>

the same period the number of full-time equivalent teachers has fallen by 1,416 from 25,286.6 to 23,870.6.³

18. The squeeze on budgets over this time has been compounded by school reorganisations and, in particular the rise in the number of all-through (3-16 or 3-18) schools.
19. Local authorities have used the provisions of the School Standards and Organisation (Wales) Act 2013 to close primary and secondary schools with minimal consultation and reopen new all-through schools. In this process all staff are dismissed from their posts and required to reapply for new posts in the new schools. In most cases there are fewer posts in the new schools than existed before, leading to teacher redundancy.
20. The NASUWT has complained about the provisions of the 2015 Act and the processes used by local authorities. This has in many cases led to the Union initiating industrial action, including protracted strikes in order to protect the jobs and livelihoods of members.
21. The NASUWT is unaware of any evidence that suggests that all-through schools improve the quality of education for pupils or supports their formation. The rise of these schools, usually referred to as middle schools in official statistics has been predicated on, what the NASUWT believes to be a fad designed to access capital funding from the 21st Century schools fund as such provision is considered by some to be 'innovative'.

The extent to which the level of provision for school budgets complements or inhibits delivery of the Welsh Government's policy objectives

22. The Union believes that the production of a so-called co-constructed curriculum under the reforms currently underway makes the requirement for clear links to be established between the policy objectives and funding.
23. The NASUWT believes that, amongst other potential pitfalls the success of the new curriculum framework will be predicated on sufficient funding in the right places for the right purposes.

The relationship, balance and transparency between various sources of schools' funding, including core budgets and hypothecated funding

24. In responding previously to the CYPEC's Inquiry into Targeted Funding to Improve Educational Outcomes contrast, the NASUWT noted that the Pupil Development Grant had sought to target funding across schools according to need, based primarily on an index of deprivation, within the school funding

³ Stats Wales, *School Census Results, 2018*, SFR 59/2018, July 2018

formula and, as such, this approach would meet several of the principles maintained by the Union.

25. Whilst raising this, the NASUWT is not providing an indication of support for the current methodology of funding schools in Wales. Indeed, the Union maintains that the current system, which is based primarily on pupil numbers rather than the needs of the curriculum and the designated needs of specific groups of pupils, does not enable either schools or local authorities to retain staffing complements to ensure that these needs are catered for effectively.
26. The NASUWT believes that the CYPEC should question seriously the decision to move away from the hypothecation of the grants. The Union raised concerns about the decision to amalgamate grant funding into the Education Improvement Grant (EIG) in its evidence to the inquiry into the EIG.
27. The NASUWT is concerned that the un-hypothecation of grants could lead to funding being allocated on the basis of grace, favour and patronage, rather than being targeted to areas of need through the provision of either dedicated funding to schools or the retention of central local authority services where specialist staff can be deployed to areas of need.

The local government funding formula and the weighting given to education and school budgets specifically within the Local Government Settlement

28. Eight out of 22 local authorities fund education and schools below the level of their Indicator Based Assessment.⁴ This then brings about anomalies in the levels of comparable funding between local authorities and, to some extent the differences in per pupil funding.

Welsh Government oversight of how Local Authorities set individual schools' budgets including, for example, the weighting given to factors such as age profile of pupils, deprivation, language of provision, number of pupils with Additional Learning Needs and pre-compulsory age provision

29. The NASUWT is aware that according to Stats Wales the gap between the highest and lowest per pupil funding local authorities in Wales on delegated school expenditure is £1,183, ranging from £5,529 per pupil in Blaenau Gwent to £4,346 per pupil in Neath Port Talbot.⁵
30. Whilst supporting the role of local authorities within education policy and the democratic involvement and accountability that results, the Union finds it difficult to understand how such variations are in place.

⁴ Stats Wales, *Local Authority Budgeted Expenditure on Schools: 2018-19*, SB 41/2018, July 2018

⁵ Stats Wales, *Reserves held by schools in Wales at 31 March 2018*, SFR 91/2018, 17 October 2018

31. Variations within local authorities appear to be consistent with smaller schools in general receiving higher per pupil funding and larger schools receiving less. This trend is apparent across all local authorities and relatively consistent, with a few anomalies, and taking into account the variation in per pupil funding between local authorities.
32. This implies that local funding formula are by-and-large very similar from county to county. Each local authorities 'cuts its cake' in similar and comparable ways. The issue is the size of each cake in the first place.

Progress and developments since previous Assembly Committees' reviews (for example those of the Enterprise and Learning Committee in the Third Assembly)

33. At the advent of the first National Assembly the NASUWT, together with a range of other stakeholders, including teacher unions, parent-teacher associations and Governors Wales, presented a report to the then Minister for Education. The report - *Funding the Education Services in Wales to provide Equality of Opportunity for all pupils* was a challenge to the National Assembly on the principles of:
 - guaranteed minimum staffing levels required to deliver the National curriculum;
 - common age-weighted pupil funding units;
 - progression towards the allocation of actual rather than average salary costs;
 - opportunities for local authorities to enhance funding to take account of other factors such as social deprivation and special educational needs; and
 - the provision of adequate resources to ensure the local authorities could provide high quality central services.
34. Eighteen years on it is disappointing that little or no progress has been made towards these principles.
35. Similarly, the report from the National Assembly for Wales (NAfW) Committee on School Funding in 2006 noted that '*the way funding is distributed seems to be driven by historic patterns of spending than any objective assessment of schools' current and future needs*'. The NASUWT asserts that this is still largely true.
36. The 2006 Report went on to recommend that the Welsh Government '*establish and publish minimum common basic funding requirements for school staffing accommodation and equipment*'. This also has failed to materialise.

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37. The 2009 report of the NAFW Enterprise and Learning Committee – *Arrangements for school Funding* also noted that:

‘Our 2008 report noted that while progress had been made in some areas... little progress had been made in other areas, in particular

- *Effective information – guidance, comparability and availability*
- *Effective use of funding*
- *Effectiveness of school budget forums.’*

38. Whereas the NASUWT believes that changes to the funding for schools should not result in detriment or turbulence the slow progress of funding reform in Wales means that historic funding allocations ensuring that individual school budgets change little from year to year are still in place. Nevertheless, the Union maintains that if changes to the funding mechanisms or formula are considered then the Welsh Government and local authorities should make clear how schools would be protected against serious levels of financial turbulence which could adversely impact the stability of teaching and learning provision for pupils.

39. The 2009 Report also recommended that *‘the Welsh Government should continue to make progress on developing a sustainable and symbiotic relationship between education policy objectives and the school funding system that delivers them.’*

40. The NASUWT fundamentally agree with this principle but notes that this is far from the case and no progress has been made to bring about such a relationship. The comments referenced above regarding the new curriculum are particularly pertinent in this matter.

The availability and use of comparisons between education funding and school budgets in Wales and other UK nations

41. The NASUWT has for the last three years calculated the funding gap between Maintained schools in England and those in Wales. This has been undertaken on a like-for-like basis by excluding the academy and free schools in England. The figures, for the most recent years’ available, are:

Funding per pupil	2014-15	2015-16	2016-17
Maintained schools in England	£5,541	£5,567	£5,594
Maintained schools in Wales	£4,934	£4,889	£4,949
Funding gap	£607	£678	£645

42. The NASUWT has provided these figures and the methodology to Welsh Government officials and offered to meet to discuss the calculations. This offer has never been taken up and the veracity of the figures has not been challenged.
43. The NASUWT has calculated that the gap in funding is equivalent to a shortfall in school budget in Wales of £291 million. This would be sufficient to provide more than 7,000 additional teachers at average salary costs.
44. The reserves in schools in England and Wales over the same timescale also exemplify the insufficiency of budgets in Wales.

	2014-15	2015-16	2016-17
Maintained schools in England	£2,119 m	£2,086 m	£1,702 m
per pupil	£419	£421	£355
per school	£119,757	£124,316	£105,677
as % of expenditure	7.55%	7.57%	6.35%
Maintained schools in Wales	£63 m	£64 m	£46 m
per pupil	£141	£142	£101
per school	£39,867	£40,756	£28,972
as % of expenditure	2.86%	2.90%	2.06%

45. This shows that there is very little surplus money available in schools in Wales and that anecdotally much more has to be spent on staffing in schools in Wales than is necessary in England.