
Cynulliad Cenedlaethol Cymru

Y Pwyllgor Plant, Pobl Ifanc ac Addysg

National Assembly for Wales

Children, Young People and Education Committee

Kirsty Williams AM
Minister for Education, Welsh Government

05 March 2020

Dear Kirsty,

Response to CYPE Committee inquiry into school funding: Luke Sibieta analysis

At our meeting on 26 February 2020 the CYPE Committee noted a **joint letter submitted to you (and copied to the Committee) in the name of a number of Trade Unions**. This letter raises concerns about the focus of the work commissioned by the Welsh Government – led by Luke Sibieta – in response to recommendation 1 of our **report on school funding**, and the level of consultation undertaken to date with the Trade Unions on this matter. I understand that you responded to the unions on 6 February 2020, and I am grateful to you for sharing a copy of this letter with us on 2 March 2020. I attach a copy of your letter of 6 February to the unions for completeness.

Recommendation 1 of our report called on the Welsh Government to:

"...commission an urgent review of how much funding is required to fund schools sufficiently in Wales, particularly given the level of reform currently being undertaken. That review should:

- consider, as its basis, what the basic minimum cost is of running a school and educating a child in Wales, before allocating additional resources required for other factors such as deprivation and sparsity and local circumstances; and
 - provide an estimate of the current funding gap between the amount currently spent on schools and the amount required to deliver on all that is required of them – including the considerable reform agenda.
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Your **statement** announcing the appointment of Luke Sibieta stated that his work would provide "an analysis of how total spending, and spending on different categories of inputs,



varies across schools in specific circumstances in Wales” and would “help provide for informed decision making on levels of funding for schools and pupils in different circumstances across the country”.

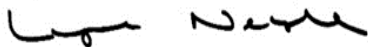
The article setting out the **Terms of Reference** for Luke Sibieta’s analysis states that “establishing minimum funding levels is difficult without a clear understanding of how and why schools in different circumstances spend their funding” and that his findings “could then be used by policymakers to help determine whether schools and pupils in different circumstances have sufficient levels of funding, now and in the future”.

Your letter of 6 February to the unions noted that you appreciated their concerns about the work Luke Sibieta is undertaking in relation to the Committee’s Recommendation 1 and stated that you had asked your officials to meet with them directly “to explore options on how best to develop a baseline cost approach to this work that is both credible and based on a sound evidence base”. Your letter also indicated that Luke Sibieta’s work will assess likely future growth in costs, which will enable an assessment of the sufficiency of funding available to schools.

In light of this, we would be grateful if you could confirm that Luke Sibieta’s work is not confined to analysing expenditure and that it will also consider current and future needs and costs. For example, the Committee would be grateful to receive confirmation of whether the analysis will provide (or inform a future piece of work to establish) the answer to the question of how much funding is required to fund schools sufficiently in Wales.

This is essentially what the Committee’s recommendation, which the Welsh Government accepted, called for. We are therefore keen to receive your assurances that this level of review will be undertaken, whether as part of the work already underway or through a subsequent review building on Luke Sibieta’s analysis of expenditure.

Yours sincerely,



Lynne Neagle AM
Chair

Cc Luke Sibieta and Trade Union authors of letter dated 21 January 2020



**Kirsty Williams AC/AM
Y Gweinidog Addysg
Minister for Education**



**Llywodraeth Cymru
Welsh Government**

Ein cyf/Our ref KW/00104/20

Union Partnership Forum

laura.doel@naht.org.uk

06 February 2020

Dear Union Partnership Group – union members,

Thank you for your letter regarding the school funding review. I was pleased to announce in October the work Luke would take forward, reflecting the advice of the unions and his specialist knowledge in this area.

My announcement outlined the work he would undertake which included an analysis of how total spending, and spending on different categories of inputs, varies across schools in specific circumstances in Wales. This will account for the differences in levels and methods of central spending across councils in Wales.

His work will also assess likely future growth in costs for schools in different circumstances under different plausible assumptions. Findings can then be used by policymakers to help determine whether schools and pupils in different circumstances have sufficient levels of funding, both now and in the future to support our education reforms, which I am sure you will agree is important in helping shape future funding for our schools

I understand that you have now met with Luke when he attended a Union Partnership meeting on 14 January and that my officials Mel Godfrey and Kelly Murphy attended a further Union partnership meeting on 31st January, and discussed the matter of Luke's work with you further.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am absolutely clear that in being able to respond to all the recommendations of the committee review we must establish an understanding of how spending and use of different inputs varies across schools in different circumstances. Luke's work is critical to this area. However, I do appreciate your concerns regarding Luke's work in relation to the first recommendation. I have therefore asked my officials to meet with you directly in order to explore options on how best to develop a baseline cost approach to this work that is both credible and based on a sound evidence base. I understand this offer was made to you on Friday, 31st at the last Union partnership meeting. It is important that in doing so we do not lose sight of Luke's expert advice about the complexities in developing a base line cost but I have asked my officials to explore all options.

We must also not lose sight of the fact that the Welsh Government provides funding to Local Authorities through the Local Government Revenue Settlement in the form of the Revenue Support Grant (RSG). The RSG is not ring-fenced; the funding allocated to each authority is available to the authority to spend as it sees fit on the range of services for which it is responsible, including schools. This is in line with the Welsh Government's policy that Local Authorities are best placed to judge local needs and circumstances and to fund schools accordingly and they are accountable to their electorates for the decisions they make. The amount of funding set aside for school budgets is for Local Authorities to determine, as is set out in law in Wales. Any work that is taken forward on a base line cost would therefore, also need to be considered by the Minister for Local Government and Housing.

The review Luke is leading on is only one part of the work we are doing. We continue to work with ADEW, the WLGA and the DSG to consider how we can ensure there is greater transparency, consistency and fairness, but ultimately local authorities are entirely responsible for determining how much funding is allocated to each school.

On 4 September the UK Government presented its Spending Round settlement. It provided, for the first time, details of our revenue budget for 2020-21 which will increase by £593m above the 2019-20 baseline. This represents an increase of 2.3% in real terms. The additions to the local government settlement total over £220m in 2020-21. As you know I have and will continue to call for additional investment in front line schools.

I trust this information is helpful to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kirsty Williams', written in a cursive style.

Kirsty Williams AC/AM

Y Gweinidog Addysg

Minister for Education