



Learning, Skills and Economy Scrutiny Committee – 4th January 2019

Scrutiny Briefing – Funding Formula Review – Post Consultation

This paper is being brought to committee for pre-Cabinet scrutiny ahead of a Cabinet meeting on 15th January 2019.

In February 2017 Cabinet requested a ‘fundamental review of the Schools funding formula due to concerns about the level of deficit occurring in some schools and the need to ensure all schools are able to deliver a minimum curriculum.’ (Cabinet Report 20th February 2018). A detailed project timetable was prepared with the intention that a final paper would be brought to Cabinet in January 2019 for approval and implementation from April 2019.

Scrutiny have followed the progress of this review undertaking pre-Cabinet scrutiny of the proposal to go out to consultation at a meeting of the Learning, Skills and Economy Scrutiny Committee on 18th June 2018. The following scrutiny observations were made:

- *The Cabinet report is light in detail in a number of fundamental places. It is understood that Cabinet will receive a verbal update on the detail regarding Block 1 of the Formula which will be considered at a meeting of the Formula Review Group on 29th June 2018 (part 4.3 of the report). Further, work on other blocks will be undertaken during July and August. Without this detail it has been impossible for scrutiny to be undertaken of this document and therefore meaningful observations cannot be made. In particular scrutiny are unable to comment on the ‘overall design of the revised funding formula’ and believe that Cabinet will only be in possession of information regarding one of the blocks of four at that meeting by way of a verbal update. This is not considered to be an appropriate level of oversight.*
- *The Cabinet report also acknowledges a risk ‘that there is a mismatch between the cost of the education schools expect to offer and the funding that is available’ (part 4.7 of the report) and that ‘it is likely that a formula designed to adequately resource the current pattern of provision would require funding at a level that would exceed the current funding envelope’ (part 6.4 of the report). This acknowledgement of risk is a position that scrutiny share particularly in light of the current deficit school budget projections that Cabinet recently received.*
- *Scrutiny remain to be convinced that the timeline proposed in relation to this review are achievable. This concern is made more acute in light of the fact that the majority of the remaining preparation time falls within the school holiday period.*

- *Scrutiny received an absolute commitment in their meeting that there would be a further opportunity for scrutiny of the School Funding Formula Review prior to the Formula being published for consultation.*

Recommendations:

1. ***That this paper be made available for scrutiny in early September prior to a decision being taken to proceed to full consultation with an opportunity available for scrutiny observations to be taken into account when this decision is made.***

These observations were considered at Cabinet on 10th July 2018 where the Chair of Learning, Skills and Economy attended to present the above observations. The following is an extract from the minutes of Cabinet on 10th July:

The Portfolio Holder for Learning and the Welsh Language explained that the new funding formula for schools had been developed by a Formula Review Group, with support from officers in Education and Finance and an external expert. School leaders had been consulted throughout the process. Whilst the new formula would not provide any additional funds it would help establish the cost of provision and ensure that funds were distributed fairly. A consultation would run between 17 September and 26 October and would inform recommendations for the formula for 2019/20, to come to Cabinet in November.

County Councillor Pete Roberts expanded on the views of the Learning Skills and Economy Scrutiny Committee as reported in the paper circulated with the agenda. The Committee had been concerned that the report lacked detail in some areas but had been reassured by the commitment given to them that there would be a further opportunity for scrutiny in September before the consultation started.

RESOLVED	Reason for Decision:
<i>That Cabinet approves the overall design of a revised funding formula for schools.</i>	<i>To inform the next stage of detailed formula development.</i>
<i>That Cabinet delegates the decision to proceed with full consultation with all schools to the Portfolio Holders for Learning and Welsh Language and for Finance.</i>	<i>To ensure the project timeline provides for adequate consultation and a clear recommendation for budget setting.</i>

The Learning, Skills and Economy Scrutiny Committee then received a presentation on 29th August 2019 which provided opportunity for further scrutiny ahead of the consultation. The minutes of this scrutiny meeting are attached at Appendix A.

The consultation took place during the autumn of 2018.

Scrutiny then received a briefing on the review on the 13th December 2018 the minutes of that meeting are attached to the agenda of this meeting for approval.

The purpose of the meeting on 4th January 2019 is to consider the proposals and provide observations and recommendations to Cabinet. A number of issues were discussed at the briefing in December and there will be an opportunity to ask the Portfolio Holder her view on the proposals.

Areas that Members may wish to explore further include:

- The outcome of the consultation undertaken in autumn 2018
- The gap identified in 5.3 of the report
- Transition arrangements
- Supply costs
- The relationship between pre and post 16 funding
- Leadership costs on split site schools

Any proposals for change such as those put forward in this Cabinet paper will result in winners and losers. It is important that scrutiny does not focus on the impact on individual schools and keeps any debate at a strategic level.