

Huw Lewis AC / AM  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref P-04-660  
Ein cyf/Our ref HL/00688/16  
William Powell AM  
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05 April 2016

Dear William

Thank you for your letter dated 21 March regarding the petition from Save Powys Schools, which received its first reading on 8 December, and enclosing additional questions raised by the petitioner.

The revenue funding the Welsh Government provides to Local Authorities each year is distributed according to relative need, using a formula which takes account of a wealth of information on the demographic, physical, economic and social characteristics of Local Authorities.

This funding formula has been developed in consultation with Local Government through the Distribution Sub Group (DSG), which is a technical working group whose members include senior Local Government officers from across Wales, the WLGA and independent experts to ensure fair treatment of the different factors.

As previously outlined, the formula is kept under a continual programme of review and improvement overseen by the DSG. The Group produces an annual report for consideration by the Finance Sub Group of the Partnership Council for Wales.

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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.

Included within the formula are a number of indicators that account for varying degrees of rurality across Authorities in Wales. These are used throughout the social services part of the formula to allow for increased costs due to additional travel time, and also throughout other parts of the formula, particularly education, to allow for the limited ability of rural Authorities to benefit from the same economies of scale as more urban Authorities.

The DSG work programme includes further work on sparsity elements of the formula but it also includes work on other aspects which impact on the deprivation and population elements of the formula. Therefore, there is no guarantee that future development of the formula will increase the sparsity weighting within the formula.

It will be appropriate to consider a fuller review of the Revenue Support Grant funding formula in due course to take account of wider Local Government reform including, of course, the proposals to move to a smaller number of Authorities in Wales.

As the Settlement formula is based on a principal of relative shares, it is not correct to talk in terms of an uplift given to an Authority to reflect the cost of delivering education in a sparsely populated area.

Powys' reduction in Settlement funding for 2016-17 is partially as a consequence of shifts in underlying data, but is also symptomatic of the Authority being on the floor in the previous year. Were there not a floor in 2015-16, Powys would have been facing a decrease of 2.9%, which is above the level set by introducing additional top-up funding for 2016-17.

Although the opportunity exists to apply a floor funding arrangement, the decision to apply a floor funding arrangement is a matter for the Minister for Public Services and is made on an annual basis, taking account of all the circumstances relating to the Settlement for that year.

The smoothing of funding allocations between years is only ever intended to be a temporary measure to mitigate changes in individual years. Implementing damping year on year would erode the link between funding levels and relative need.

With regard to your petitioners questions regarding the ability of Local Authorities to choose how best to serve local needs and to the loss of Welsh pupils across the border to England, Local Authorities are under a duty to ensure that there are sufficient school places to meet the needs of their area. I expect all Local Authorities to consider carefully any changes to provision and to ensure that the changes are in the best interests of learners. If Local Authorities decide to make changes they must have regard to the guidance in the School Organisation Code and must comply with its mandatory provisions.

I fully expect the vast majority of parents to value provision in Wales and the progress being made in raising standards sufficiently to continue to seek places in schools in Wales.

The Welsh Government does not collect or hold data on pupil movement over the Wales/England border at the present time. The last report produced by the Welsh Government titled 'Cross Border Flows in Education between Wales and the rest of the UK between 2003/04 and 2007/08' was published on 21 April 2010 and showed a small net outflow of between 140 and 300 pupils from Wales to England in each year since 2003/04 to 2007/08. A link to the report is attached: <http://gov.wales/statistics-and-research/cross-border-flows-education/?lang=en>. In recent years there has not been the demand to resource this information.



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