

Kirsty Williams AM  
Cabinet Secretary for Education  
Welsh Government  
Ty Hywel  
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Your Ref/Eich Cyf

Our Ref/Ein Cyf

Date/Dyddiad 22<sup>nd</sup> August, 2017

Ask for/Gofynnwr am Claire Homard

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Dear Cabinet Secretary,

### **National Funding Position and the Sustainability of Education Services**

Thank you for your continued advocacy for the funding needs of education in the lead up to decision-making on the Welsh Government Budget by the Cabinet. Your personal understanding and support for education is valued and appreciated.

Local authorities in Wales and the Welsh Government are together making the case to the UK Government that the long-standing policy of financial restraint and austerity has to be reversed with this next national budget. The impacts of the compounded annual reductions in public spending are self-evident with the education now beginning to show signs of stress.

In Flintshire the stresses are particularly evident in our Secondary School sector where, despite making operating cost economies including redundancies, schools are struggling to manage their budgets. It is concerning is that our larger schools with buoyant pupil numbers, although well managed, are also showing signs of financial unsustainability. At the end of March, seven of our twelve secondary schools had deficits amounting in total to £1m. This is rapidly deteriorating position.

Flintshire has worked to protect school budgets by meeting or exceeding the Ministerial protection recommendations in recent years. To try to soften the impacts of inflation at the school level we applied a 1.34% uplift to school budgets in 2017/18. However, in real terms the funding per pupil has not kept pace with the impacts of workforce cost increases coming principally from pay increases and National Insurance and pension reforms. In the previous two years alone our schools have had to absorb over £3.7m in unmet cost pressures. They have responded to this by reducing spending on management costs, teacher recruitment, pastoral services and on maintenance and resources. For many schools the only options that remain are to reduce the breadth of the curriculum, increase class sizes, or increase the level of teaching and learning delivered by unqualified staff. Actions such as these will undermine the quality of education received by learners and impact negatively on the outcomes pupils may achieve. This will not be acceptable to the Council or to Welsh Government. The stark reality is that schools will not be sustainable without additional support and investment.

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Mae'r Cyngor yn croesawu gohebiaeth yn y Gymraeg neu'r Saesneg

We have been vocal in making the case that Flintshire as a low funded council per capita is more exposed to the consequences of public funding austerity; our low funding base has a direct impact on the availability of funding for education locally. As a consequence, Flintshire is now at a level of high risk of financial unsustainability. An improved financial settlement for local government as a whole will provide some financial relief to meet the local costs pressures within the sector.

Flintshire has made revenue budget reductions of £79M over the past decade against an annual net revenue operating budget of around £250M. All services other than social services and schools have had to reduce their budgets by a minimum of 30%. This clearly illustrates the work that we have done to be both innovative and efficient. This cannot continue.

Central education budgets have not been immune from the 30% efficiencies targets. This has resulted in a reduction in management costs, which in turn has reduced the level of challenge and support we are able to provide to schools. Our Inclusion Services have also had to achieve a 30% reduction and this comes at a time when the level of additional learning needs is increasing with schools reporting considerable demand pressures.

We face a further annual funding gap of over £11.7M in 2018/19 with education workforce pressures accounting for £1.14M of this figure. However, this is a gap that we cannot bridge. Local funding solutions identified so far total approximately £5-6M at best but will impact significantly on service delivery. These efficiencies make up the last round of options as all other options to close the funding gap have been exhausted. Flintshire has a long and proud track record of a commitment to quality and innovation in education. However, our resilience statements now show that key services in education are risk rated as 'amber' status with some now on the verge of turning 'red'.

Continued austerity threatens to impact on the quality of education offered to our young people in Wales and we ask that you urge Welsh Government to consider the following for Flintshire:-

- a guaranteed minimum of a 'cash flat' settlement for 2018/19;
- having pay awards pressures in education funded in full over and above a 'cash flat' settlement;
- consideration of additional funding in recognition of significant workforce costs which were over and above past Ministerial protection recommendations; and
- being given an assurance that new legislation and policy commitments originated by Welsh Government or Central Government will be funded in full.

Thank you for your continued support.

Yours sincerely,



**Councillor Aaron Shotton**  
**Leader of the Council**



**Colin Everett**  
**Chief Executive**



**Councillor Ian Robert**  
**Cabinet Member for Education**



**Claire Homard**  
**Chief Officer for Education**