



CABINET – 13TH NOVEMBER 2019

SUBJECT: FORMULA FUNDING ARRANGEMENTS FOR YSGOL GYFUN CWM RHYMNI (SPLIT SITE)

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To outline and consider the formula funding arrangements for Ysgol Gyfun Cwm Rhymni, linked directly to the current split site arrangement of the School (7 mile distance between the 2 sites).
- 1.2 Since September 2017 all age groups from year 7 through to year 11 have been taught on both sites. Academic year 2017-18 was the first academic year that this arrangement had been in place. There are 2 distinct catchment areas, with associated feeder schools for the Gelli Haf (Blackwood) and Y Gwyndy (Caerphilly) sites.
- 1.3 This report to Cabinet follows a report to the School Budget Forum (27th September 2018), subsequent circulation to All Headteachers (November 2018), a further report to Education For Life Scrutiny Committee (2nd July 2019) and a report to Corporate Management Team (CMT) (26th September 2019).
- 1.4 In the meeting on 2nd July 2019, Cllr Brenda Miles “proposed that Scrutiny Committee support retrospective funding for the current and previous financial years (circa £100k), subject to confirmation in a further report to Cabinet that the deficit is as a direct result of the financial pressures arising from the split site arrangement and not for other reasons. And that the Local Management of Schools (LMS) contingency balances are used to fund the one off cost”. This motion was unanimously supported by Committee. The Committee also fully supported the recommendation of a further report to be presented to Cabinet for a decision on the funding methodology and sources of funding.
- 1.5 Following the Scrutiny meeting, CMT supported:
 - the proposed change to the funding arrangement relating to the split site;
 - retrospective funding for financial years 2018/19 & 2019/20, utilising an in year underspend for Education & Corporate Services;
 - recognising the financial cost linked to this change in arrangements as a budget pressure within the Authority’s budget strategy proposals for 2020/21.

2. SUMMARY

- 2.1 In summary the report reviews the current funding position for YG Cwm Rhymni and considers this in relation to the position with regards to schools currently collaborating or those proposing a more formal federation with a shared Headteacher in the Borough.
- 2.2 YG Cwm Rhymni is the only Welsh medium secondary school within the Borough. In May 2018 the School Strategy Board agreed that there should be a consultation with regards to the current split site funding arrangement for the school.

3. RECOMMENDATIONS

3.1 Cabinet are requested to agree:

3.1.1 That the split site funding arrangements for YG Cwm Rhymni should be updated following consideration of the issues presented in the body of this report [Equates to circa £114k additional funding to the school].

3.1.2 Retrospective funding for financial years 2018/19 to 2019/20 [Equates to circa £228k for the 2 financial years].

3.1.3 Including the financial pressure linked to this proposal as a “growth” item within the Authority’s budget strategy proposals for 2020/21 [Equates to £114k in 2019-20].

4. REASONS FOR THE RECOMMENDATIONS

4.1 The recommendations are based on recognition of the capacity of each site, 2 distinct catchment areas, with all year groups from year 7 to year 11 currently delivered on both sites. YG Cwm Rhymni is by far the largest Secondary School in the Borough and continues to grow.

4.2 This proposal is consistent with current examples of school federation and collaboration models currently operating within the Borough. YG Cwm Rhymni is 1 school with 2 separate catchment areas and separate admission numbers.

4.3 No change in the split site funding arrangements could impact the Schools ability to deliver the wider curriculum across the 2 sites.

5. THE REPORT

5.1 This background to this report follows discussions with YG Cwm Rhymni with regards to the current formula funding arrangements as a split site school. To date the school has been funded as one school with an additional split site lump sum. The split site formula funding allocation recognises the additional financial burden that arises for a school as a direct result of delivery across 2 sites. The timing of this report links directly to the fact that in September 2017, there were 2 clear catchment areas, with year groups 7 through to 11 on both sites. This has impacted on arrangements and costs for day to day operations (Technician / Office & Reception) and site management, together with teaching arrangements and managerial responsibilities (Deputy / Assistant Headteacher arrangements).

5.2 A review of pupil numbers across the Authority’s secondary schools (including 3 to 18, 11 to 16 and 11 to 19) supports the need for further discussion on this matter. The details of capacity numbers across our secondary schools and the admission numbers (Appendix 2), illustrates the size of the school (including details for each site) in relation to other secondary schools in the Borough.

5.3 Within Caerphilly we have a number of primary schools that have successfully collaborating with a shared Headteacher. From 1st September 2019, 8 of these schools have formally federated to form 4 federated schools. From purely a financial perspective this approach has generated efficiencies with regards to Senior Management costs, essential to the financial sustainability of some of our smaller schools. In the scenario where 2 schools are collaborating or federating with a shared Headteacher, there is no change in the funding allocation, it remains the same as 2 separate schools.

- 5.4 In the scenario with regards to YG Cwm Rhymni, which is by far our largest Secondary School in the Borough, the benefits of a Headteacher across the “whole” school are already in place. However, the capacity of each individual site, 2 catchment areas and all year groups from years 7 through to year 11 being delivered on both sites, supports the need to review the funding methodology linked to the lump sum allowances.
- 5.5 In financial year 2019/20, all Schools receive a number of lump sum allocations in their formula. Specifically linked to the site there are 3 lump sum allocations (there are also small lump sum allocations linked to a few of the SLA allocations):
1. Funding linked to cover part of the Headteachers salary to allow for non contact time for managerial tasks and leadership costs within the school.
 2. Building maintenance related (low value).
 3. Additional funding – linked primarily to workload, leadership and management.
- 5.6 At the moment YG Cwm Rhymni receives one lump sum allocation for each of the 3 areas identified in para 5.5, in addition the School receives an additional 50% of the funding linked to just 1 of the lump sums. It is proposed that consideration is given to withdrawing the split site allocation and providing the 3 lump sum allocations for each of the sites, linked to the reasons identified in the body of this report.
- 5.7 Based on the 2019/20 formula funding position the implications of this change in funding arrangements for YG Cwm Rhymni would be circa £114k additional funding.
- 5.8 At the end of financial year 2018-19, the School reported a deficit balances position of £107k, this was a swing of £191k, with surplus balances of £84k at the end of 2018-19. In reviewing the details of school spend in 2018-19, it is quite clear that the significant area of overspend is in staffing. Additional costs have been incurred as a consequence of the split site arrangement which link directly to leadership and managerial responsibilities (outside of the formula funding driven by pupil numbers). Most notably the school has established a basic principle that there should be a senior manager (Headteacher or Deputy Headteacher) on the Gwyndy site and responsible for the site with one Senior Manager to support at any particular time. The Deputy Headteacher is based permanently at the Y Gwyndy site. As at January 2019, there were 545 pupils on the Gwyndy site and 1,129 pupils on the Gelli Haf site. In addition to a senior Manager there are also additional costs linked to the operational necessity of an office & reception on each site, plus technical support for IT and Science.

6. ASSUMPTIONS

- 6.1 The projected impact on funding for Ysgol Gyfun Cwm Rhymni is based on the 2019/20 funding allocations for “lump sums” to Schools.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The report considers the use of resources within the Directorate to ensure that key strategies are achieved.
- 7.2 Effective financial planning and financial controls contribute to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015. In particular as follows:

A prosperous Wales, aims to improve the educational attainment of children & young people that will enable them to access skills or further education and employment.

A healthier Wales, supporting vulnerable learners can improve their well-being and educational achievement.

A more equal Wales, a society that enables people to fulfil their potential no matter what their background is; and

A Wales of cohesive communities, improving quality of life with attractive, viable, safe and well connected communities.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 Whilst there are no specific equality issues linked to this report, a change in funding arrangements could assist with regards to the schools ability to sustain the wider curriculum across the 2 sites. Funding is obviously just one of the factors that the School would review and consider in its decision making.

10. FINANCIAL IMPLICATIONS

- 10.1 Support to update the split site funding arrangements would equate to circa £114k in 1 year. In 2020/21 this could be funded from within the individual schools budget (ISB) in which case there would be a small impact across all schools as this would be a “pressure” to fund; **or** this could be funded as a growth item, subject to the Authority’s budget proposal and priorities in 2020/21. Scrutiny and CMT were both supportive of identifying as a “growth” item as part of the 2020/21 budget strategy proposals.
- 10.2 To support this cost retrospectively (2018/19 & 2019/20), it is proposed that consideration is given to utilising an in year Education and Corporate Services underspend (2019/20).
- 10.3 There is currently a projected in year underspend of £1,353k for Education & Corporate Services. Retrospective funding for 2018-19 and 2019-20 equates to circa £228k.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no personnel implications directly linked to this proposal. .

12. CONSULTATIONS

- 12.1 The following extract is from the minutes of the School Budget Forum meeting on 27th September 2018.

Report to consult on current split site formula funding arrangement for YGCR

“JS presented a report to consider the formula funding arrangements for YGCR linked to the current split site arrangement of the school. The timing of the report links to the fact that from September 2017 all age groups from year 7-11 were taught on both sites. This has impacted on the arrangements and costs for day to day operations and site management, together with teaching arrangements and managerial responsibilities. The report considers it in relation to schools currently collaborating with a shared Head teacher in the Borough. To date the school has been funded as one school with an additional split site lump sum. In recognition of delivery across two sites and a review of pupil numbers it is proposed that consideration is given to withdrawing the split site allocation and providing the lump sum allocations for each site. This would be approximately £120k additional funding. The forum questioned if there would be additional funding for this but there would be no additional monies, it would come

from the formula pot spread over both sectors. The forum recommended alternate scenarios should be considered along with the proposal and issues would be raised in consultations with head teachers at Secondary and Primary Head teacher forums”.

- 12.2 One response received in relation to the e-mail circulated to All Headteachers (Headteachers are represented on the School Budget Forum), advised “no concerns with the report at this time” (query raised was on a separate issue linked to remuneration where a Head is responsible for more than one school).
- 12.3 In the Education For Life Scrutiny meeting on 2nd July 2019, Cllr Brenda Miles “proposed that Scrutiny Committee support retrospective funding for the current and previous financial years (circa £100k), subject to confirmation in a further report to Cabinet that the deficit is as a direct result of the financial pressures arising from the split site arrangement and not for other reasons. And that the Local Management of Schools (LMS) contingency balances are used to fund the one off cost”. This motion was unanimously supported by Committee. The Committee also fully supported the recommendation of a further report to be presented to Cabinet for a decision on the funding methodology and sources of funding.
- 12.4 The CMT meeting on 26th September 2019 supported:
- The proposed change to the split site funding arrangement for YG Cwm Rhymni.
 - That retrospective funding for 2018/19 and 2019/20 is met in year from an in year underspend for Education & Corporate Services (2019/20).
 - Inclusion of this formula funding pressure as a “growth” item within the Authority’s budget proposals for 2020/21.

13. STATUTORY POWER

- 13.1 School Standards and Organisation (Wales) Act 2013.

Author: Jane Southcombe, Finance Manager (Education, Lifelong Learning & Schools)
E-mail: southj@caerphilly.gov.uk

Consultees: Christina Harrhy, Interim Chief Executive
Dave Street, Corporate Director, Social Services & Housing
Mark S Williams, Interim Corporate Director
Richard Edmunds, Corporate Director, Education and Corporate Services
Keri Cole, Chief Education Officer
Sue Richards, Head of Education Planning & Strategy
Steve Harris, Interim Head of Business Improvement Services & Section 151
Lynne Donovan, Head of People Services
Robert J Tranter, Head of Legal Services & Monitoring Officer
Anwen Cullinane, Senior Policy Officer (Equalities & Welsh Language)
Cllr Philippa Marsden, Cabinet Member, Education and Achievement
Cllr Teresa Parry, Chair Education for Life Scrutiny Committee
Cllr Carol Andrews, Vice Chair Education for Life Scrutiny Committee

Background Papers

Report to School Budget Forum 27th September 2018 & circulated to All Headteachers on 30th November 2018.
Report to Education for Life Scrutiny Committee – 2nd July 2019
Summary of Pupil Numbers – as per Starting Schools Booklet 2019-20
Education for Life Scrutiny Mins. – 2nd July 2019
Report to CMT – 26th September 2019.