



Eich cyf/Your ref SG/AAS  
Ein cyf/Our ref HL/01884/13

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20 December 2013

Dear Sian

**Re: Local Authority Sixth Form Indicative Funding 2014-15 – Subject to formal offer of grant funding.**

Thank you for your letter regarding the Local Authority Sixth Form Funding 2014-15 and specifically regarding indicative allocations announced to Gwynedd Local Authority.

Communication of the 2014-15 indicative allocations follows a period of three years where allocations to Local Authorities have been broadly frozen at 2009-10 funding levels.

During that period a number of Local Authorities have seen increases in learner numbers and were expected to manage those increases within the funding allocations. Conversely, many Local Authorities experienced reductions in learner numbers but had their funding maintained.

In the case of Gwynedd, the 2009-10 allocation was based on 720 learners and during the period where the funding model did not apply, fundable learners fluctuated between 730 and 698 learners.

Whilst these variations were widely accepted by Local Authorities and welcomed as a period of stability, the Planning and Funding Review was tasked with adjusting these baselines to reflect changes in demography and staying on rates as part of the introduction of the new Planning and Funding Framework.

The method applied to adjust the baselines for 2014-15 and to inform future year's allocations uses actual sixth form numbers for the last three years<sup>1</sup> and actual 16-18 population data<sup>2</sup> to create a derived 'staying-on' rate. This staying on rate has then been used, alongside known 16-18 population data to predict the number of learners likely to remain in sixth forms in 2014-15. Therefore, whilst predictions do play a role in the derivation of the allocations they have been based on the latest available data.

The predicted number of learners derived using this methodology in Gwynedd is 685 for 2014-15. Given the latest known cohort of learners, in 2012, was 698 and 16-18 demography in Gwynedd continues to decline, this would seem a reasonable prediction.

Since notification of the indicative allocations Gwynedd, along with all other Local Authorities, has been asked to plan provision for 2014-15. Plans returned by Gwynedd show an indicative learning cohort of 812 learners despite the falling demography. Officials are currently meeting each Local Authority to discuss these plans and the likelihood of a 20 per cent increase in the expected staying on rate being realistically delivered in 2014-15.

The outcomes of these discussions will not affect the derivation of the 2014-15 allocations, but should the planned numbers identified by Gwynedd actually be delivered in 2014-15 these numbers will be used to inform allocations in the future.

I hope this explanation of the methodology applied gives you more information about the rationale used to derive the allocations.

Your letter also raises a number of other points that I would like to respond to individually:

1. The school funding legislation that you refer to only places a duty on a Local Authority to provide an estimate of the schools budget shares for the following two funding periods for the pre-16 element of school funding. I do, however, recognise the importance of three year indicative allocations for sixth form provision and an outcome of the Post-16 Planning and Funding Review is to provide Local Authorities with three year indicative allocations when we are in a position to do so.
2. The rationale for the methodology used to predict learner numbers is set out above.
3. As with point 1 the Welsh Government's education funding commitment has been applied to compulsory education only.
4. The distribution of the post-16 grant to schools is a matter for the local authority and how it chooses to recognise individual school commitment is for the local authority to determine.
5. Again, the distribution of the post-16 grant to schools is a matter for the local authority. The option detailed obviously reflects that the three schools highlighted were offered a level of 'protection' whilst the previous funding model was set aside. In the same way that applying this 'protection' was a matter for the local authority, the removal of this protection is also a matter for the local authority.

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<sup>1</sup> September PLASC data submitted by the Local Authority

<sup>2</sup> StatWales population data

Finally you request the funding cap is reviewed. Given the well publicised budget reductions that have been imposed on the post-16 education budget I am unable to support the request for any change to the funding cap. The adjusting of baselines was necessary to bring local authorities into line with demographic changes that have occurred since setting aside the previous funding system.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Huw Lewis'.

**Huw Lewis AC / AM**

Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills