

Heriot-Watt University Study – Alternative Resource Allocation Models for Local Services in Wales (“The Bramley Report”).

7 November 2007

The Minister for Social Justice and Local Government, Brian Gibbons

I have arranged today for a copy of the Heriot –Watt University Study “Alternative Resource Allocation Models for Local Services in Wales” (“The Bramley Report”) to be placed in the Assembly library.

The Study, undertaken by Professor Glen Bramley and David Watkins of Heriot-Watt University was commissioned in September 2006 by Sue Essex, the then Minister for Finance and Local Government. The Study was commissioned in furtherance of the Assembly Government’s response to the Second Assembly School Funding Committee Report - “School Funding Arrangements in Wales” - published in June 2006.

The School Funding committee made 27 recommendations in all. The recommendations that were most pertinent to the commissioning of the Bramley Study were that the Assembly Government should :-

- initiate a review of the weighting given to factors such as transportation, sparsity and deprivation in allocating education resources within the local government settlement, to ensure that weightings are based on objective need;
- commission detailed research on the effect that variations in funding have on pupil attainment after taking account of variables such as deprivation and sparsity; and,
- set in train a review of the local government distribution formula so that the education element is based on the current and future costs of providing education services rather than on historic costs.

In a written statement to the Assembly dated 19 September 2006 Jane Davidson AM, the then Minister for Education, Lifelong Learning and Skills, confirmed that all 3 of the above recommendations (together with the majority of the Committee’s other recommendations) had been accepted by the Assembly Government.

Professor Bramley produced an interim report of his findings and conclusions in May 2007. He produced his final study report in September. Both his emerging findings and his final conclusions will continue to be considered by the Consultative Forum on Finance (which I Chair) and its Distribution Sub-Group.

The Study Report is long, running to 130 pages. It is a very detailed analysis of complex issues and the argumentation is illustrated by, and developed through, very technical and innovative statistical analysis. In developing the School Funding Committee’s recommendations that schools funding should be based on current and

future costs as opposed to historic spending patterns Professor Bramley has posited an “outcomes – oriented” approach.

It is essential that the Study proposals and their implications are fully considered and understood. Any changes to funding arrangements have to be soundly based and widely accepted as being the best way forward. For these reasons I intend to seek the Consultative Forum on Finance’s endorsement to include a far more detailed consideration of the Study findings and methodology on the 2008 remit for the Distribution Sub-Group (DSG).

The three year settlement funding arrangements that the Assembly Government is implementing with the agreement of Local Government from 2008-09 means that the local government revenue settlement distribution formula will be fixed for 2008-09 and 2009-10. This will give the DSG adequate time to give the fullest consideration to the issues Bramley raises.

I have consulted Jane Hutt, the Minister for Children, Education, Lifelong Learning and Skills. She endorses the action that I propose and her officials will be fully engaged with the review. I propose consulting the Welsh Local Government Association on the potential for local authority education practitioners being co-opted on the Sub Group to participate in the review work.