

***Distribution Sub-Group (2019) Paper 12 – Minority Ethnic Achievement and Gypsy, Roma and Traveller Support Services distribution***

**This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.**

**Minority Ethnic Achievement and Gypsy, Roma and Traveller Support Services distribution**

**Summary**

1. This paper looks to discuss the 2019-20 Minority Ethnic Achievement and Gypsy, Roma and Traveller (MEAGRT) grant distribution mechanism and consider the distribution going forward if funding is allocated.

**Views sought**

2. DSG members are asked to consider, if funding is available for 2020-21, the appropriate distribution method going forward.

**Background**

3. The specific grant has been available since 2007 to:
  - Support pupils from minority ethnic backgrounds who are learning English as an additional language and who may be underachieving; and
  - Improve standards of achievement for pupils from certain minority ethnic groups identified as being at risk of underachieving.
4. Following a Welsh Government prioritisation exercise ahead of the 2018-19 budget, a decision was made for these services to become part of core provision.
5. Local Government were clear that services to support MEAGRT learners will cease to exist without specific Welsh Government funding. Following these concerns interim funding at £8.7m was agreed for both 2018-19 and 2019-20.
6. Concerns have been raised generally about future funding, but at this point, no revenue funding has been allocated beyond March 2020, as the Welsh government budget amount will depend on the outcome of the Comprehensive Spending Review / UK budget.
7. In addition concerns were raised about the level of funding received by some local authorities, who argue that the distribution did not reflect changes in demographics and population. For example, in 2018-19, Cardiff, Newport and Swansea received 47%, 18% and 14% of the total grant amount.
8. Prior to 2019-20 distributions of the specific grant were predominantly based on historic years' distributions and pupil numbers, the number of minority ethnic children in the local authority area, their Key Stages and levels of English language acquisition and various other factors.

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9. The Minister for Education requested that Welsh Government officials investigate other approaches, to ensure the funding was distributed according to need. Due to the proximity to the start of the new financial year, the distribution method used was not able to be discussed/shared with the distribution sub-group in time for 2019-20.
10. Again, due to the proximity to the start of the 2019-20 financial year the Minister for Education asked that the distribution approach for 2019-20 would see no local authority receive a reduced allocation compared to 2018-19.

**Method**

11. It was agreed that the funding for 2019-20 would be distributed based on the latest PLASC numbers for ethnic minority and GRT learners, to ensure the approach was based on need. The distribution of this data across local authorities is considerably different to the distribution of the 2018-19 grant.
12. In 2019-20, an additional £1.3m was made available to ensure that no authority saw a reduction allocation compared to 2018-19.
13. Given the large changes in local authority allocations that are seen as a result of changing the distribution methodology, education officials worked with Local Government Finance colleagues to come up with a method to ensure that no authority would lose any funding compared to their 2018-19 allocations. The method used is a very similar approach to the historic local settlement model, whereby a funding floor is used to top up the authorities that are below a specified percentage change from their previous funding levels (in this case, 0%).
14. The additional funding is taken proportionally from all other authorities that receive funding above the floor level, ensuring that all authorities are treated equally (the methodology used in the settlement prior to 2016-17).
15. If any authorities fall below the floor, as a result of contributing to it, further iterations are run until all authorities are either on or above the floor.
16. For future years, the data could be updated and the floor gradually revised downwards to get to the funding solely distributed on ethnic minority and GRT learners number from PLASC.

**Discussion**

17. Do the DSG have any concerns of using this approach?
  - a. If the group do have concerns going forward, do they have any suggestions for alternative approaches for the future?
  - b. If the group do not have concerns, would the group recommend a similar approach to be used in the future, if funding is available?

**Conclusion**

18. Members are asked to discuss the distribution method used for 2019-20 and assess if this is a suitable option going forward.