



**NEW DEAL
FOR TEACHERS**

POLITICAL BRIEFING

**The Barnett Formula and
Public Spending in Wales**

Introduction

Since the introduction of austerity by the UK Government in 2010, public spending across the UK has seen real terms cuts which have devastated public services in Wales and depressed wages in real terms.

While the Welsh Government determines the allocation of public sector spending, its overall budget is directly influenced by Westminster Government funding decisions, including education funding, through the Barnett formula.

There are three factors that are multiplied together to determine changes to the block grant under the Barnett formula:

- the change in planned spending by UK Government departments;
- the extent to which services delivered by UK Government departments correspond to services delivered by the devolved administrations;
- Wales's population as a proportion of England, England and Wales or Great Britain (as appropriate to the Barnett formula calculation depending on the territorial extent of the planned spending).

So the consequential calculation is:

- the change to planned UK Government spending, multiplied by
- the comparability factor, multiplied by
- the appropriate population proportion.

As a result, the Westminster Government's policy of public sector austerity has had a direct and negative impact on Wales's education funding.

Since 2017, the minimum funding that Wales can currently receive is set at no less than 105% of the per-person expenditure in England.

Due to the revision of population estimates following the Census in 2021 as well as the increased revenue from Wales taxation, the funding from the Barnett formula was reduced by £213 million in 2024 to 2025.

The Welsh Government, along with NASUWT, believes a needs-based system – which would take into account factors such as the age of the population and levels of poverty – would be a fairer formula.

School Funding

Between 2009-10 and 2018-19, school spending per pupil fell by 5% in real terms in Wales. Since then, there have been increases of about 8% in real terms between 2018-19 and 2022-23, resulting in school spending at about £7,200 per pupil.

However, direct funding comparisons have become increasingly misleading and harder to obtain as the two nations' education systems diverge, and the Welsh Government has ceased to publish per-head pupil spending comparisons for some time.

The application of school funding is directed by the School Funding (Wales) Regulations 2010 that requires 70 per cent of funding for individual schools' budgets to be distributed in accordance with factors which are learner led. Each local authority will apply a funding formula so as to arrive at the individual school budget amount. In Wales, this amount varies due to regional variations in the funding formula which see some local authorities spending more per-pupil than others.

The combination of falling rolls and reduced local authority funding from the Welsh Government are seeing an increase in teacher redundancies as schools struggle to balance budgets.

What Wales needs from a new Westminster Government

There is a clear moral purpose for publicly provided education which should:

- i. meet the needs of all children and young people on a fair and equitable basis;
- ii. contribute to the achievement of the country's local, national and international needs and aspirations, whilst also enhancing the lives and life chances of all children and young people.

The mechanism by which state schools are funded is critical to securing an inclusive and world-class education system, operating in the public interest and contributing to the maintenance of a democratic, just and inclusive society.

Local authorities are under significant pressure to cut costs, including reducing education support staff and services as a quick way to balance the books, which will have the adverse impact of reducing specialist support to young people with additional learning needs as well as a deleterious impact on attempts to close the poverty-related attainment gap.

There has also been an increase in precarious work, linked to budgetary constraints, and NASUWT has been campaigning around the lack of job security, the reduced availability of work and inequitable mechanisms for securing posts. Teachers with protected characteristics and from marginalised communities are disproportionately impacted.

Looking forward, Wales's education system needs national funding levels to be increased significantly to enable local authorities and schools to receive the resources they need and which supports the provision of good terms and conditions for teachers.

About Us

NASUWT is The Teachers' Union and is the voice of the teaching profession.

Our aim is to improve and protect the status, morale and working conditions of the teaching profession so that teachers and headteachers can provide the best education and support to children and young people.

We are committed to ensuring that teachers and headteachers are recognised and rewarded as highly skilled professionals with working conditions that enable them to focus on their core role of leading teaching and learning.

Further Information

For further information please email campaigns@mail.nasuwt.org.uk

NASUWT
The Teachers' Union

nasuwt.org.uk