

## Education and Lifelong Learning Committee

**Date:** 13 October 2005  
**Venue:** Committee Rooms 3 & 4, National Assembly, Cardiff Bay  
**Title:** Draft Budget 2006-07 to 2008-09

### Purpose

1. To provide an opportunity for the Committee to comment on the draft Budget for 2006-07 (attached at Annex 1) in accordance with Standing Order 21.3.
2. Standing Order 21.3 provides that each Assembly Minister who is a member of a Subject Committee shall seek its views on the draft budget and convey them to the Finance Minister.

### Recommendation

3. That the Committee notes the information provided and comments on the draft budget (attached at Annex 1).

### Timing

4. For discussion on 13 October.

### Background

5. On 11 May 2005 the Committee was consulted on budget priorities within the portfolio of the Minister for Education and Lifelong Learning in accordance with Standing Order 21.2. The Committee's priorities were conveyed to the Minister for Education and Lifelong Learning via a letter from the Committee Chair and these views informed discussions with the Finance Minister about the draft budget.

### Summary

Education and Lifelong Learning MEG

	£,000				
	1999-2000	2005-06	2006-07	2007-08	2008-09
DEL Baseline	760,037	1,343,896	1,452,280	1,532,218	
Changes			73,243	141,403	

<i>Revised Total</i>	760,037	1,343,896	<b>1,525,523</b>	<b>1,673,621</b>	<b>1,673,621</b>
<b>% Growth (from 1999-2000)</b>		76.8	100.7	120.2	
<b>% Annual growth</b>			13.5	9.7	
<b>% Annual Growth when DfES transfer for student support removed</b>			7.8	6.9	
<b><i>Including AME – MEG Total</i></b>	760,037	1,364,046	1,553,273	1,703,571	1,703,571

This budget is delivering an additional investment of over £181million in 2006-07 as compared to the current year, a growth of 13.5%. This uplift includes funds transferred from the DfES in respect of the devolution of student support. Excluding this, the ELL MEG sees an uplift of over £104 million - a 7.8% increase on the 2005-06 budget. The 2007-08 and 2008-09 indicative plans stand at over £1.6 billion - an increase in funding of more than 6.9% over the 2006-07 budget (again this percentage increase excludes the DfES transfer)

Together with the significant increases in the ELL baseline from BPR 2004, this budget provides the resources for us to deliver:

- our WABC commitment to provide free breakfasts;
- our new initiative, 'Flying Start' targeting the 0-3 year olds in disadvantaged areas;
- our commitment, not to introduce variable fees in the life of this Assembly and to support the cross-party agreement of 22 June, based on evidence of the Rees report;
- our commitment to FE pay.

### **Performance against WAG objectives within the portfolio.**

#### ***Wales: A Better Country commitments:***

- Variable fees ruled out during the lifetime of this Assembly
- School Breakfast initiative
- Invest £560m to improve school buildings
- Worst performing schools to catch up with best
- An Individual Learning Account for Wales
- Extend the Welsh Baccalaureate to intermediate and foundation levels
- Reform the 14-19 age range curriculum
- By end decade, no pupil to leave school without qualifications
- Schools to be community resource
- Introduce a new 3-7 curriculum
- Integrated centres and a nursery place for 3 year olds

- Reform early years Welsh medium education
- Invest to tackle problems of small and rural schools
- Cut junior class sizes
- Eliminate the basic skills gap
- Pilot free skills training for adults to NVQ level 3

***How we are using the resources to deliver these commitments:***

We are continuing to invest in Early Years, with a nursery place available to all 3 years olds whose parents want one. We will be introducing Flying Start, strongly targeted at 0-3 year olds in disadvantaged areas, which aims to support free good quality childcare, additional health visiting and parenting programmes delivered through integrated centres or schools. Our commitment to the School Breakfast initiative continues and we are working closely with Local Education Authorities and schools to ensure that by January 2007 all schools will have the opportunity to participate. We are continuing to pilot the Foundation Phase, the new curriculum for 3-7 year olds. Evaluation is in hand.

The September 2004 class size count showed that through effective use of additional revenue funding, junior class sizes of more than 30 pupils have been effectively eliminated – the September 2005 count is expected to show the same. Support continues to help improve outcomes in low performing schools and to encourage innovation in small and rural schools. Funding of £3m a year will help support the development of community focused schools. Investment in school buildings is now £143.516m a year which, together with the capital value of two approved PFI schemes, brings the actual and projected total investment supported by the Assembly Government in the period 2004-05 to 2007-08 to £629.372m.

We are delivering enhanced provision for 14-19 year olds. Additional funding for the Welsh Bac will enable piloting of a Foundation Bac from September 2006, continuing support for the existing pilot centres, and providing for the early phase of the roll out from September 2007. Phased implementation continues for our Learning Pathways agenda which will provide all 14-19 year olds with access to individual learning pathways with a strong emphasis on employability and progression.

Increased funds for teacher development will support a further 150 candidates for the National Professional Qualification for Headship, the induction of newly qualified teachers, and training for support staff. Additional funding in the post 16 sector enables us to meet the commitment on the pay of lecturers in Further Education and to meet the provider funding guarantee of the NPFS.

We will meet our commitment to provide £40m of funding over the next three years for our new basic skills strategy; 'Words Talk, Numbers Count'.

### **Ministerial Priorities for 2006-07 and future years**

The additional funding provided in BPR 2004 and 2005 together with some careful re-profiling of existing baselines will enable me to deliver on my commitments in the eight ELL Spending Programme Areas (SPAs)

#### **SPA 1: Early Years and Support for Children**

**Existing baseline of £68.9m increasing to £96.8m in 2006-07 and £118.5m in 2007-08. Capital baseline of £8.2m in 2005-06, £8.4m in 2006-07 and £5.2m in 2007-08**

The changes to the capital line reflect the re-profiling from capital into revenue budgets within the Early Years BELs .

Funding for the Foundation Phase increases from £1.5m in the current year, to £3.5m in 2006-07 and to £7.5m in 2007-08 to continue with and extend the pilot to a further tranche of schools and for a full evaluation of the pilot's impact and benefits with an intention to roll out from September 2008.

Additional finance is provided for the Children's Commissioner to underpin the development of his Office – and notably to increase communication with children and young people across Wales.

From the additional funding announced last year for Early Years, totalling £46m, we will deliver Flying Start. This will focus on supporting the 0-3 age group particularly in disadvantaged areas, with an aim of improving outcomes for children in the long term. A public consultation document will be issued shortly. Capital provision will enable the programme to establish at least one Integrated Centre in each Local Authority to support the Assembly Government's objectives of offering a better start for children and providing core life choices for parents and carers.

The Assembly Government will shortly be publishing its Childcare Strategy in response to the recommendations of the Childcare Working Group. Childcare is funded from the Cymorth grant scheme, under which allocations to local partnerships are increasing by £11.5 million in 2006-07 to £54.7million. A minimum of 8.5% of this is to be spent on childcare. In addition, under Genesis Wales, £12.5 million of the European Structural Fund is available to be spent by March 2008

#### **SPA 2: School Infrastructure**

**Existing Baseline of £27.3m revenue reduced by £400k in 2007-08 to £26.9m and increasing to £28.9 m in 2007-08.**

**Capital baseline remaining unchanged at £139.1m**

Capital investment to improve school buildings will exceed our commitment to provide £560m in the lifetime of the Assembly. The £139m in the ELL MEG, an additional £4.5m in the General Capital fund in the Local Government MEG, and the capital value of the two approved PFI schemes brings the actual and projected total investment to over £629m in the period 2004-05 to 2007-08. Of the £19m originally allocated to support our policy for junior class sizes of no more than 30, local authority spend has been a little under £18m in 2004-05 and is forecast to be slightly lower at £17.7m in 2005-06. I have therefore re-allocated £1m from the Additional School Revenue BEL to fund a number of new initiatives i.e. in response to the Clywch inquiry recommendations, development of an Assembly funded service to investigate allegations of child abuse against school staff which governing bodies have to consider (£200k in each financial year); to fund the requirement to have schools councils in primary, secondary and special schools (£400k in 2006-07 and full year cost of £680k in 2007-08 onwards); an additional £100k per annum from 2007-08 for Assembly funded school governor activities for revision and reissue of Governors Wales' handbook for governors and for work on increasing the diversity of school governing body membership.

To meet the costs of introducing LEA/school partnership agreements I am making provision of £330k from 2007-08. These agreements will set out the support and services schools can expect to receive from their LEA and LEAs' expectations of their schools.

Funding for small and rural schools continues at £3.5m; £1m for administrative support for teaching heads within the Additional School Revenue grant line, £1m earmarked for small and rural schools within the £3m community focused schools grant and £1.5m for innovative working in small and rural schools (including joint working and federation ) within the Better Schools Fund. I have also provided £1m from 2007-08 to address the recommendations of the ELL Committee review into school transport. The use of this resource and its allocation will be discussed with local authorities.

### **SPA 3: Improved Standards**

**An increase on the 2005-06 revenue baseline from £64.9m to £65.3m in 2006-07, rising to £70.1m in 2007-08**

**The Capital baseline reduces from £2.6m in 2005-06 to £1.275m in 2006-07 and £525k in 2007-08**

The capital changes reflect the completion of an IT strategy investment connected to the Pupil Data Development and the completion of an IT investment at Estyn. The provision for 2007-08 reflects the completion of investment in technology to help modernise the examination system in that year.

I have re-profiled some of the planned 2006-07 expenditure. In the curriculum and Qualifications Current Expenditure (currently an ACCAC BEL) the

anticipated cost of the modernisation of the examination system has reduced enabling £1m to be reprofiled elsewhere in the MEG. Similarly I have been able to re-profile £1.4m/£1.3m from the IT strategy BEL without impacting on our commitments. The reprofiling of £300k from the Estyn programme expenditure is within the profile of expenditure in recent years. The £2.7m reduction in the Better School Fund (BSF) arises because the budget for the Ethnic Minority Achievement Grant (EMAG) is now in its own BEL under Inclusion and Pupil Support. The Better Schools Fund continues to include £1.5m identified for innovative work in small and rural schools. Funding in the Support for Improving Standards BEL provides an additional £1m/£2.3m/£2.3m for the Welsh Baccalaureate. There is also an additional £1m in 2006-07 and £2m in 2007-08 and future years to improve learning continuity and transition for all young people on moving to secondary school.

#### **SPA 4: Inclusion and Pupil Support**

**An increase on the 2005-06 revenue baseline of £27.4m to £35.7m in 2006-07 increasing to £47.6m in 2007-08 and future years  
Capital provision of £2m remains unchanged**

BPR 2004 provided a significant increase for Additional Learning Needs which are now sustained for the future.

This year's BPR has increased the provision for school breakfasts by £2.15m in 2006-07 and £1.65m in 2007-08 and future years. The new baseline of £5.5m rising to £10m means all schools will be offered the opportunity to participate in the initiative by January 2007.

An additional £200k in each year in the Tackling Disaffection BEL has been allocated to develop a strategy to provide an independent counselling service in education.

#### **SPA 5: Practitioner Development**

**An increase on the 2005-06 revenue baseline of £21.4m to £23.46m in 2006-07 and £24m in 2007-08**

BPR 2004 increased the GTCW baseline by 25% for 2006-07.

Through the RSG £70m will be available in 2006-07 and future years to implement the Teacher's Workload Agreement.

The increased allocation in the Teacher Development and Support BEL will be used in three specific areas:

- ◆ £750k to support a further 150 candidates to take part in the National Professional Qualification for Headship;
- ◆ £500k to support statutory induction in Wales; and

- ◆ £250k to fund training for support staff.

### **SPA 6: Higher Level Learning**

**An increase on the 2005-06 revenue baseline of £362.4m to £396.7m in 2006-07 increasing to £402.1m in 2007-08.**

**Capital provision remains at the planned 2006-07 level of £18.3m**

£20m has been allocated to provide a Supplementary Income Stream for Higher Education Institutions in Wales. This is for the academic year 2006/07 in which higher tuition fees will be charged in England. There is a further £10m in 2007-08, covering the remainder of the 2006/07 academic year. From the following academic year, 2007/08, HE Institutions will, of course, be able to charge tuition fees up to £3,000 hence the one-off nature of the Supplementary Income Stream.

The provision for HEFCW amounts to over £365m in this budget expenditure, a 4% increase on the current baseline. Reaching Higher funds have been re-profiled across the 3 years to reflect the current pattern of expenditure and the firm proposals received to date from the sector. I have made available significant funding in each year since Reaching Higher was published in 2002.

The Assembly Government has undertaken to explore the question of whether there is a funding gap between Welsh HEIs and other comparable institutions in the UK and will report back to the Assembly with proposals in due course.

### **SPA 7: Learner and Student Finance**

**An increase on the 2005-06 revenue baseline of £38.7m to £122.7m in 2006-07 increasing to £149.2m in 2007-08 and £202m in 2008-09.**

BPR 2005, together with the transfer from the Department for Education and Skills for the devolution of student support, will provide for the full range of student support products, including tuition fee loans so that from September 2006 no student ordinarily resident in Wales will have to pay up-front fees, wherever in the UK they study. From academic year 2007/08 the funding will also cover new tuition fee grants to students ordinarily resident in Wales to offset the increased cost of tuition in Welsh HEIs from that year. It also includes the introduction of a new HE specific Assembly Learning Grant which will replace the current entitlement to the DfES HE grant and the ALG. Funding will also provide for deferred tuition fees from September 2006.

### **SPA 8: Lifelong Learning and Skills for Young People and Adults**

**An increase on the 2005-06 revenue baseline of £547.49m to £563.6m in 2006-07 increasing to £598.27m in 2007-08.**

**Capital provision increases from £10.6m in 2005-06 to £24.9m in 2006-07 rising to £26.3m in 2007-08**

There is some re-profiling of the forward funding provision for the 14-19 agenda (£4m in 06-07 and £16m in 2007-08 and future years) to help bring together elements of work undertaken by 14-19 networks with complementary developments currently being led by ELWa such as pathfinder and CIF projects. The budget lines currently managed by ELWa will increase by £6m in 2006-07 and £16m in 2007-8.

Overall post-16 provision increases by some £26 million or 4.8% in 2006-07 and a further £21.6 million or 3.8% in 2007-08. The additional allocations will safeguard the delivery of core provision, whilst at the same time supporting investment in important strategic developments. Post merger they will enable the new Department to underpin the NPFs; continue progress towards the system's full implementation; and deliver on the Assembly's commitment for FE pay.

I have also re-profiled £500k in 2006-07 and £1m in 2007-08 from the Other Learning support BEL. This revised budget will still enable me to meet my commitment to provide £40m over 3 years to support the new Basic Skills Strategy 'Words Talk, Number Count'. This involves a comprehensive programme of work to better prepare young people for school, to reduce the number of school-age children falling behind with basic skills and to raise the levels of basic skills in the adult population.

### **Committee Priorities for 2006-07**

I am pleased that the budget for 2006-07 and the indicative budget for the following two years allow me to address the key priorities of the Committee set out in Peter Black's letter to me on 25 May 2005. (copy at Annex 2)

#### **1. Further education and post-16 provision:**

An additional £6m in 2006-07 and £16m in 2007-08 has been allocated to the post 16 budgets. Re-profiling of existing post 16 budgets is also envisaged to ensure priorities can be delivered.

#### **2. Higher education: structural reconfiguration and student support:**

Funding for Reaching Higher continues and rises to £19m in 2007-08.

Funding for student support is secured by the allocation of additional funds in BPR 2005 and a transfer from DfES.

#### **3. School teachers' workload agreement**

After a progressive build up in provision, by 2006-07 and the following years £70m will be available through the RSG to implement the Teacher's Workload Agreement.

An additional £250k has been allocated as part of BPR 2005 to fund training for support staff.



#### **4. Counselling and advocacy services for young people:**

New funds of £200k each year are allocated to enable us to move towards providing the counselling service as recommended in the Clywch report. The policy lead for Advocacy currently sits with the Minister for Health and Social Services but there is significant linkage with Education policy. Officials are working together on the overarching policy.

#### **5. Capital funding for school buildings (to meet the 2010 target)**

The funding commitment under W:ABC is secured in existing baselines.

#### **6. Continuing professional development for teachers:**

Additional funding was allocated to CPD in BPR 2004. This year the emphasis is on the National Professional Qualification for Headship and the statutory induction programme.

#### **7. Funds to implement recommendations in the policy review reports on special educational needs and school transport:**

Additional funding of £4m for 2006-07 and £10m for 2007-08 for SEN was secured in BPR 2004. There is a baseline of £3.1m for Asylum Seekers in 2007-08, an increase of 500k on the EMAG baseline from 2006-07 and a baseline of £5m in 2006-07 rising to £7.4m in 2007-08 and future years to take forward the Assembly Government's additional learning needs policy. We are currently developing an inclusion policy and performance framework for Wales that addresses the recommendations contained within the ELL Committee's Policy Review of SEN. New funding of £1m for school transport is allocated from 2007-08.

### **Cross Cutting Themes**

The following cross cutting themes are funded, planned and delivered in collaboration with other Departments.

Health Challenge Wales  
Iaith Pawb  
Crime fighting Fund  
Knowledge Economy  
Medical Education  
Speech and Language Therapy

### **Contact point**

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## EDUCATION AND LIFELONG LEARNING MAIN EXPENDITURE GROUP (MEG)

REVENUE BUDGET - Departmental Expenditure Limit											£'000
Budget Expenditure Line	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans	
Early Years Revenue	19,351	28,401	500	28,901	34,801	5,000	39,801	34,801	5,000	39,801	
Children's and Families Organisation Grant	3,188	3,252		3,252	3,317		3,317	3,317		3,317	
Information Sharing	200	200		200	200		200	200		200	
Children's Commissioner	1,435	1,436	200	1,636	1,437	400	1,837	1,437	400	1,837	
Cymorth (Including Childcare)	44,744	62,833		62,833	75,362	-2,000	73,362	75,362	-2,000	73,362	
<b>Early Years and Support for Children</b>	<b>68,918</b>	<b>96,122</b>	<b>700</b>	<b>96,822</b>	<b>115,117</b>	<b>3,400</b>	<b>118,517</b>	<b>115,117</b>	<b>3,400</b>	<b>118,517</b>	
Additional School Revenue Funding	23,750	23,750	-1,000	22,750	23,750	-660	23,090	23,750	-660	23,090	
Out of Hours Learning	250	250		250	250		250	250		250	
School Governor Activities	332	332	600	932	332	1,310	1,642	332	1,310	1,642	
School transport	0	0		0	0	1,000	1,000	0	1,000	1,000	
Community Focused Schools	3,000	3,000		3,000	3,000		3,000	3,000		3,000	
<b>School Infrastructure</b>	<b>27,332</b>	<b>27,332</b>	<b>-400</b>	<b>26,932</b>	<b>27,332</b>	<b>1,650</b>	<b>28,982</b>	<b>27,332</b>	<b>1,650</b>	<b>28,982</b>	
Curriculum and Qualifications Current Expenditure	10,969	13,469	-1,000	12,469	12,469		12,469	12,469		12,469	
Curriculum and Qualifications - Current Receipts	-75	-75		-75	-75		-75	-75		-75	
Curriculum and Qualifications Depreciation/Cost of Capital	145	145		145	145		145	145		145	
Better School Fund	29,660	29,660	-2,700	26,960	29,660	-2,700	26,960	29,660	-2,700	26,960	
Other School Inspections	33	33		33	33		33	33		33	
Schools Performance Improvement	217	217	20	237	217	20	237	217	20	237	
Support for Improving Standards	4,425	5,225	2,100	7,325	6,925	4,400	11,325	6,925	4,400	11,325	
Education IT Strategy	3,733	3,753	-1,450	2,303	3,759	-1,300	2,459	3,759	-1,300	2,459	
Techniquist	1,352	1,352		1,352	1,352		1,352	1,352		1,352	
Independent Schools	60	60		60	60		60	60		60	
Estyn Programme Expenditure	5,033	5,283	-300	4,983	5,446		5,446	5,446		5,446	
Estyn Cost of Capital and Depreciation	384	384		384	384		384	384		384	
Estyn Salaries and NI Costs	6,877	7,006		7,006	7,138		7,138	7,138		7,138	
Estyn General Administration	2,180	2,180		2,180	2,180		2,180	2,180		2,180	
<b>Improved Standards</b>	<b>64,993</b>	<b>68,692</b>	<b>-3,330</b>	<b>65,362</b>	<b>69,693</b>	<b>420</b>	<b>70,113</b>	<b>69,693</b>	<b>420</b>	<b>70,113</b>	

£'000

Budget Expenditure Line	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans
Grants for the Education of Travellers' Children	900	900		900	900		900	900		900
Additional Learning Needs	1,906	5,006		5,006	7,406		7,406	7,406		7,406
Asylum Seekers	0	0		0	3,100		3,100	3,100		3,100
Ethnic Minority Achievement Grant	0	0	2,700	2,700	500	2,700	3,200	500	2,700	3,200
Tackling Disaffection	500	500	258	758	500	258	758	500	258	758
Food in Schools	4950	4950	2,150	7,100	11,350	1,650	13,000	11,350	1,650	13,000
Post 16 Inclusion and Support for Learning	19,241	19,241		19,241	19,241		19,241	19,241		19,241
<b>Inclusion / Pupil Support</b>	<b>27,497</b>	<b>30,597</b>	<b>5,108</b>	<b>35,705</b>	<b>42,997</b>	<b>4,608</b>	<b>47,605</b>	<b>42,997</b>	<b>4,608</b>	<b>47,605</b>
General Teaching Council	2,150	2,689		2,689	3,229		3,229	3,229		3,229
Teacher Recruitment and Training for Qualified Teacher Status	13,030	13,030		13,030	13,030		13,030	13,030		13,030
Teacher Development and Support	3,010	3,010	1,500	4,510	3,010	1,500	4,510	3,010	1,500	4,510
Practitioner Development Strategic Investment	3,233	3,233		3,233	3,233		3,233	3,233		3,233
<b>Practitioner Development</b>	<b>21,423</b>	<b>21,962</b>	<b>1,500</b>	<b>23,462</b>	<b>22,502</b>	<b>1,500</b>	<b>24,002</b>	<b>22,502</b>	<b>1,500</b>	<b>24,002</b>
HEFCW - Running Costs	2,699	2,999		2,999	2,801	300	3,101	2,801	300	3,101
HEFCW - Current Expenditure	351,306	365,674	-200	365,474	376,101		376,101	376,101		376,101
Supplementary Income Stream	0	0	20,000	20,000	0	10,000	10,000	0		0
HEFCW - Receipts	-7,798	-7,798		-7,798	-7,798		-7,798	-7,798		-7,798
HEFCW - Depreciation and Cost of Capital	224	224		224	224		224	224		224
HEFCW: Reaching Higher	14,000	16,000	-2,000	14,000	15,000	3,700	18,700	15,000	3,700	18,700
Education Research and Services	2,046	2,046	-178	1,868	2,046	-178	1,868	2,046	-178	1,868
<b>Higher Level Learning</b>	<b>362,477</b>	<b>379,145</b>	<b>17,622</b>	<b>396,767</b>	<b>388,374</b>	<b>13,822</b>	<b>402,196</b>	<b>388,374</b>	<b>3,822</b>	<b>392,196</b>
Student Support Funds	38,263	42,037	-36,989	5,048	42,587	-37,693	4,894	42,587	-37,693	4,894
Part Time Student Support	0	0	4,100	4,100	0	10,600	10,600	0	10,600	10,600
SLC Targeted Grants	0	0	7,400	7,400	0	11,300	11,300	0	11,300	11,300
Fee Remission Grant (Continuing Students)	0	0	16,800	16,800	0	11,000	11,000	0	11,000	11,000
Assembly Learning Grant	0	0	21,700	21,700	0	42,100	42,100	0	42,100	42,100
Assembly Fee Grant	0	0	0	0	0	22,300	22,300	0	34,500	34,500
SLC/HMRC Administration Costs	0	0	2,535	2,535	0	3,568	3,568	0	3,568	3,568
Maintenance Loans Resource Budgeting Provision	0	0	25,990	25,990	0	37,752	37,752	0	36,352	36,352
Fee Loans Resource Budgeting Provision	0	0	10,679	10,679	0	22,800	22,800	0	22,000	22,000
Targeted Awards	0	0	27,954	27,954	0	25,525	25,525	0	25,525	25,525
Support for Learning (Coleg Harlech Bursaries)	500	500	0	500	500	0	500	500	0	500
Post 16 Receipts (Learner and Student Finance)	0	0	0	0	0	0	0	0	0	0
<b>Learner and Student Finance</b>	<b>38,763</b>	<b>42,537</b>	<b>80,169</b>	<b>122,706</b>	<b>43,087</b>	<b>149,252</b>	<b>192,339</b>	<b>43,087</b>	<b>159,252</b>	<b>202,339</b>

£'000

Budget Expenditure Line	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans
Careers Wales	38,075	38,972		38,972	39,891		39,891	39,891		39,891
Support for Extending Entitlement	4,017	4,017		4,017	4,017		4,017	4,017		4,017
14-19 Learning in Wales	2,000	8,500	-4,000	4,500	32,500	-16,000	16,500	32,500	-16,000	16,500
Learner Provision	471,972	484,759	2,000	486,759	498,659	4,000	502,659	498,659	4,000	502,659
Strategic Investment	22,320	15,432	4,000	19,432	10,763	12,000	22,763	10,763	12,000	22,763
Post 16 Receipts	-23,554	-23,554		-23,554	-23,554		-23,554	-23,554		-23,554
Other Learning Support	16,032	18,032	-500	17,532	20,032	-1,000	19,032	20,032	-1,000	19,032
International Education Initiatives	516	516	0	516	516		516	516		516
Workforce Development Stream	13,261	13,011		13,011	14,011		14,011	14,011		14,011
Support for Learning	1,800	1,383		1,383	1,383		1,383	1,383		1,383
Support for Learning - Depreciation and Cost of Capital	1,053	1,053		1,053	1,053		1,053	1,053		1,053
<b>Lifelong Learning and Skills for Young People and Adults</b>	<b>547,492</b>	<b>562,121</b>	<b>1,500</b>	<b>563,621</b>	<b>599,271</b>	<b>-1,000</b>	<b>598,271</b>	<b>599,271</b>	<b>-1,000</b>	<b>598,271</b>
<b>Total Revenue - Education and Lifelong Learning</b>	<b>1,158,895</b>	<b>1,228,508</b>	<b>102,869</b>	<b>1,331,377</b>	<b>1,308,373</b>	<b>173,652</b>	<b>1,482,025</b>	<b>1,308,373</b>	<b>173,652</b>	<b>1,482,025</b>

£'000

Budget Expenditure Line	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans
<b>CAPITAL BUDGET - Departmental Expenditure Limit</b>										
Early Years	8,206	8,906	-500	8,406	8,206	-3,000	5,206	8,206	-3,000	5,206
<b>Early Years and Support for Children</b>	<b>8,206</b>	<b>8,906</b>	<b>-500</b>	<b>8,406</b>	<b>8,206</b>	<b>-3,000</b>	<b>5,206</b>	<b>8,206</b>	<b>-3,000</b>	<b>5,206</b>
Voluntary Aided Schools - Capital	9,500	9,500		9,500	9,500		9,500	9,500		9,500
School Building Improvement Capital Grant	74,685	74,685		74,685	74,685		74,685	74,685		74,685
General Capital Funding	54,939	54,939		54,939	54,939		54,939	54,939		54,939
<b>School Infrastructure</b>	<b>139,124</b>	<b>139,124</b>	<b>0</b>	<b>139,124</b>	<b>139,124</b>	<b>0</b>	<b>139,124</b>	<b>139,124</b>	<b>0</b>	<b>139,124</b>
Curriculum and Qualifications - Capital Investment (ACCAC)	580	830		830	80		80	80		80
Education IT Strategy - Capital	805	0		0	0		0	0		0
Estyn - Capital Expenditure	1,245	445		445	445		445	445		445
<b>Improved Standards</b>	<b>2,630</b>	<b>1,275</b>	<b>0</b>	<b>1,275</b>	<b>525</b>	<b>0</b>	<b>525</b>	<b>525</b>	<b>0</b>	<b>525</b>
Tackling Disaffection - Capital	2,000	2,000		2,000	2,000		2,000	2,000		2,000
<b>Inclusion/Pupil Support</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>
HEFCW - Capital Investment	22,396	18,396		18,396	18,396		18,396	18,396		18,396
<b>Higher Level Learning</b>	<b>22,396</b>	<b>18,396</b>	<b>0</b>	<b>18,396</b>	<b>18,396</b>	<b>0</b>	<b>18,396</b>	<b>18,396</b>	<b>0</b>	<b>18,396</b>
Strategic Investment - Capital	10,645	24,945		24,945	26,345		26,345	26,345		26,345
<b>Lifelong Learning and Skills for Young Adults</b>	<b>10,645</b>	<b>24,945</b>	<b>0</b>	<b>24,945</b>	<b>26,345</b>	<b>0</b>	<b>26,345</b>	<b>26,345</b>	<b>0</b>	<b>26,345</b>
<b>Total Capital - Education and Lifelong Learning</b>	<b>185,001</b>	<b>194,646</b>	<b>-500</b>	<b>194,146</b>	<b>194,596</b>	<b>-3,000</b>	<b>191,596</b>	<b>194,596</b>	<b>-3,000</b>	<b>191,596</b>

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Budget Expenditure Line	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans
<b>Revenue Budget - Annually Managed Expenditure (1)</b>										
Education Maintenance Allowances	20,150	27,750		27,750	29,950		29,950	29,950		29,950
<b>Learner and Student Finance</b>	<b>20,150</b>	<b>27,750</b>	<b>0</b>	<b>27,750</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>
<b>Total Revenue - Annually Managed Expenditure</b>	<b>20,150</b>	<b>27,750</b>	<b>0</b>	<b>27,750</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>
<b>Education and Lifelong Learning - Summary</b>										
	2005-06 Plans	2006-07 Plans	2006-07 Changes	2006-07 New Plans	2007-08 Plans	2007-08 Changes	2007-08 Indicative Plans	2008-09 Plans	2008-09 Changes	2008-09 Indicative Plans
Revenue DEL	1,158,895	1,228,508	102,869	1,331,377	1,308,373	173,652	1,482,025	1,308,373	173,652	1,482,025
Capital DEL	185,001	194,646	-500	194,146	194,596	-3,000	191,596	194,596	-3,000	191,596
<b>Total DEL</b>	<b>1,343,896</b>	<b>1,423,154</b>	<b>102,369</b>	<b>1,525,523</b>	<b>1,502,969</b>	<b>170,652</b>	<b>1,673,621</b>	<b>1,502,969</b>	<b>170,652</b>	<b>1,673,621</b>
<b>Annually Managed Expenditure</b>	<b>20,150</b>	<b>27,750</b>	<b>0</b>	<b>27,750</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>	<b>29,950</b>	<b>0</b>	<b>29,950</b>
<b>Total Education and Lifelong Learning</b>	<b>1,364,046</b>	<b>1,450,904</b>	<b>102,369</b>	<b>1,553,273</b>	<b>1,532,919</b>	<b>170,652</b>	<b>1,703,571</b>	<b>1,532,919</b>	<b>170,652</b>	<b>1,703,571</b>

(1) These budgets are outside of the National Assembly for Wales' Departmental Expenditure Limit. They fund demand led items and are therefore not set at the Assembly's discretion.

£'000

Spending Programme Area (SPA)	2006-07					2007-08	2008-09	
	Revenue		Net Total	Capital		Total	Total	
	Total Revenue	Receipts		Capital	Receipts			
Departmental Expenditure Limit								
SPA 1 Early Years and Support for Children	96,822	0	96,822	8,406	0	105,228	123,723	123,723
SPA 2 School Infrastructure	26,932	0	26,932	139,124	0	166,056	168,106	168,106
SPA 3 Improved Standards	65,437	-75	65,362	1,275	0	66,637	70,638	70,638
SPA 4 Inclusion / Pupil Support	35,705	0	35,705	2,000	0	37,705	49,605	49,605
SPA 5 Practitioner Development	23,462	0	23,462	0	0	23,462	24,002	24,002
SPA 6 Higher Level Learning	408,965	-7,798	401,167	18,396	0	419,563	422,792	410,592
SPA 7 Learner and Student Finance	118,306	0	118,306	0	0	118,306	190,139	202,339
SPA 8 Lifelong Learning and Skills for Young People and Adults	587,175	-23,554	563,621	24,945	0	588,566	624,616	624,616
Annually Managed Expenditure						AME	AME	AME
SPA 7 Learner and Student Finance	27,750	0	27,750	0	0	27,750	29,950	29,950
<b>Total Budget</b>	<b>1,390,554</b>	<b>-31,427</b>	<b>1,359,127</b>	<b>194,146</b>	<b>0</b>	<b>1,553,273</b>	<b>1,703,571</b>	<b>1,703,571</b>

**Pwyllgor Addysg a Dysgu Gydol  
Oes**

**Education and Lifelong Learning  
Committee**



Cynulliad National  
Cenedlaethol Assembly for  
Cymru Wales

Jane Davidson AM  
Minister for Education and Lifelong  
Learning

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff CF99 1NA

25 May 2005

Dear Jane,

**Budget Planning Round 2005**

In accordance with standing order 9.8, I am writing to set out the Committee's budget priorities. The Committee considered your paper ELL2-05-05(p4) at a meeting on 11 May.

The Committee acknowledged that the BPR 2004 determined Assembly's spending plans for the subsequent three years, and noted that the ELL indicative budget for 2006-07 is £1.480 billion, rising to £1.562 billion in 2007-08. The Committee also acknowledged that you had taken account its funding priorities communicated to you last year.

With regard to funding priorities for 2006-07 and subsequent years, the Committee considered that particular attention should be given to:

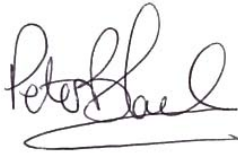
- Further education and post-16 provision;
- Higher education: structural reconfiguration and student support;
- School teachers' workload agreement;
- Counselling and advocacy services for young people;
- Capital funding for school buildings (to meet the 2010 target);
- Continuing professional development for teachers; and
- Implementation of recommendations in the Committee's policy review reports on special educational needs and school transport.



Some members of the Committee expressed concern that there is no appropriate means at present of scrutinising the allocation in the local government settlement for compulsory school funding. I intend to raise this issue with the Panel of Chairs.

I hope these suggested priorities will inform and support your deliberations with Cabinet colleagues, when determining the Assembly budget. The Committee will consider the draft budget early in the Autumn term.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Black', with a horizontal line underneath.

**Peter Black AM**  
**Committee Chair**

Cc Sue Essex AM, Minister for Finance, Local Government and Public Services