

Education and Lifelong Learning Committee

Date: 28 January 2004

Title : Minister's Report

1. This report updates the Committee on specific issues raised by members and on issues of current interest. Annex A sets out major engagements since the last report.

2. Daugherty Assessment Review Group

Last year when announcing that Professor Richard Daugherty would be undertaking a review of the assessment arrangements for 11- and 14-year-olds I promised to keep members informed of progress. I am pleased to announce that I have now received an Interim Report from Professor Daugherty. You will receive hard copies of the Report as soon as the bilingual version is available. In the meantime, the Report may be accessed using the following links:

English: http://www.learning.wales.gov.uk/scripts/fe/news_details.asp?NewsID=1123

Welsh: http://www.dysgu.cymru.gov.uk/scripts/fe/news_details.asp?NewsID=1123

I am very grateful for all the work which Richard Daugherty and his Group have devoted to the task I gave them last year. In three short months they have accomplished a very great deal. The Interim Report covers work in progress. Nonetheless it shows vividly how much evidence the Group has gathered; and how carefully it has been considered.

The Group's emerging recommendations are clearly well founded and robust. They provide an excellent basis for substantive consideration in the next Phase of the Review which will turn to further consultation, refinement and amplification. There is more to do before the final recommendations are presented to me at the end of March. However these interim results are persuasive and impressive. Crucially they have the development of pupil learning firmly in view.

I look forward to receiving the final report in the spring along with ACCAC's advice on the National Curriculum and its assessment. I am sure what will emerge is an assessment system which is professionally valid, locally supported, nationally relevant and is right for the teachers and pupils of Wales.

In summary the Group's provisional view is that a revised assessment system would comprise the following.

Key Stage 2:

- pupils at the end of Year 5 should take a set of skills tests to provide information about each pupil's learning skills, both for the Year 6 teacher and for the secondary school to which the pupils will be transferring a year later;
- statutory teacher assessments in the core subjects at the end of Key Stage 2 should be retained in broadly their current form;
- as part of the statutory provisions for transition planning that are to be introduced by the Welsh Assembly Government, secondary schools should work with their feeder primary schools to improve the consistency of statutory teacher assessment;
- data from the Year 5 skills tests and from statutory teacher assessments in Year 6 should be collected for monitoring purposes.

Key Stage 3:

- the statutory teacher assessment element in the current arrangements should be retained but, following a phased transition to the new arrangements, be completed at the end of Year 8 or at the beginning of Year 9 and be formally reported to parents at that point;
- secondary schools should be accredited as having in place effective procedures for ensuring that teacher judgements are comparable;
- statutory testing at Key Stage 3 should be phased out at the end of a period of approximately three years, the time that will be needed to establish a system for the moderation of statutory teacher assessments;
- statutory teacher assessments, supported by robust moderation procedures, should be the main source of the comparative information about the standards being achieved across schools and across local authorities;
- for the purpose of comparing standards in Wales with standards in other countries, there should be a sampling of pupils' attainments in Wales that is linked to the PISA programme for measuring educational standards.

Key Stages 2 and 3:

- the development of assessment for learning practices should be a central feature of a programme of development in Wales for curriculum and assessment.

3. Key Skills Qualifications

On 29 December 2003 I announced that from September 2004 the assessment of Key Skills Qualifications in Wales will no longer require an external test. From September 2004 the qualifications in Communication, Application of Number and Information Technology will be assessed solely by a portfolio of evidence of candidates' ability to apply the skill.

My decision was based on advice by the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC). Research by ACCAC has shown that the tests do not add value to the Key Skills Qualifications and that they can be a barrier to take up of Key Skills. It also revealed wide ranging agreement that portfolio evidence is the most valid assessment of key skills.

I have always said that I want to reduce unnecessary assessment burdens when suitable opportunities arise. Key Skills are central to many of our plans for the future of Education and Training in Wales and I would not contemplate making any changes that would undermine their value or rigour.

The removal of the tests will be accompanied by improvements to the portfolio assessments and the associated quality assurance and I am confident that teachers and other providers will do a thoroughly professional job when assessing candidates' portfolios.

4. Governors Wales

Governors Wales are a voluntary body representing the interests of school governors in Wales and acting to support them through training and provision of information. I meet with Governors Wales or speak at their Conference on an annual basis. I last met with them on Wednesday 21st January to discuss their innovative legal advice project and addressed their 2003 Annual Conference on 15 November 2003. My officials also meet with Governors Wales more frequently to discuss and review their activities and receive monitoring reports on the use of the organisation's core and project funding. In 2003-04 Governors Wales received £260,000 Assembly grant which including funding a telephone helpline and website; and the employment of two Field Officers, one each in North and South Wales to work with local governor associations. I also gave approval to a further grant to Governors Wales of £12,500 for the period October 2003 – March 2004 to fund half of the costs of a project to provide legal advice to governors and governing bodies through a contract with Judicium. Governors Wales manages the project and acts a gatekeeper to the advice given.

5. Schools having religious character

Provisions in the School Standards and Framework Act 1998 state that a foundation or voluntary school has a religious character if it is designated in an Order. In Wales such Orders are made by the National

Assembly. Designation as a school with a religious character is the recognition of a religious character which a school already has as a question of fact and does not change the religious character of a school. Designation helps to determine the form of religious education to be provided in the school, the form of collective worship, school staffing matters, the disposal of assets, admissions arrangements and the statement of ethos in the school's instrument of government.

A school can be designated as one with a religious character if at least one of the following criteria is met:

- At least one member of the governing body of the school is appointed as a foundation governor to represent the interests of one or more religions or religious denominations.
- The school premises were provided on trust so that if, for example, the school were closed, any proceeds of sale would be applied for the benefit of one or more religion or religious denominations.
- The school premises were provided on trust in connection with (a) the provision of education or (b) the conduct of an educational institution in accordance with the tenets of one or more religions or religious denominations.

Consultation in 1998 resulted in the Designation of Schools Having a Religious Character (Wales) Order 1999. Since then three schools not included in the original 1999 Order which met (and continue to meet) the criteria of schools with a religious character have been identified; two new schools have applied to the National Assembly for designation and four schools included in the Order have since closed. The new order will be an amending Order confined to these changes and is scheduled to be debated at the end of March

6. Devolution of Student Support

The Higher Education Bill was introduced in Parliament on 8 January. This is an important step in the process of devolving higher education functions to the Assembly. Contrary to a view that this Bill will provide Wales with "bogus" powers, the Bill offers real opportunities to Wales, giving us more control over the main levers over student support, so that we can continue to build towards a successful and integrated higher education system. It will help us deliver on the commitments we have made in Reaching Higher, to building a HE sector in Wales that is world class in terms of learning, research and economic growth.

In introducing the Bill, Charles Clarke announced a package of financial support for students, which includes an increase in the new HE Grant from £1000 in 2004 to £1500 for new students from 2006/7. About 30% of students in England and Wales are expected to benefit from the full grant. This reflects what we have already achieved in Wales through the Assembly Learning Grant and further acknowledges the effective work of Professor Teresa Rees' investigation into student hardship in Wales.

The full transfer of student support and tuition fee powers will help us develop further distinctive policies to suit the HE Sector in Wales.

The Bill does allow this Assembly Government and any future one the flexibility to introduce variable fees. However, this does not mean that the final decision on the introduction of variable fees has been made for Wales. As I have previously made clear, any future decision will be made on the basis of sound evidence and independent advice.

After the Bill receives Royal Assent, Professor Teresa Rees will conduct an independent review of the issue of variable fees, exploring how we might use devolved student support powers to achieve the best possible outcomes for Wales and to advise on the way forward for Wales.

Second Reading is planned for 27 January. Don Touhig will be joining us in committee to discuss the Bill following the second reading. There will be a full debate on the HE Bill in Assembly plenary on 11 February.

7. Foundation Phase Pilots

- The innovative proposals for the education of three to seven year olds were included in the ten-year strategy for education and lifelong learning , "The Learning Country". The consultation on the proposed introduction of the Phase ended on 30 May and received an overwhelming positive response.
- It is important that the phase is now introduced gradually to ensure that adequate provision and support are in place to guarantee the success of this approach.
- Local Education Authorities have now been invited to nominate 8 settings for the Foundation Phase pilots 4 from the maintained and 4 from the non-maintained sector. Nominations should cover the full range of provision including small and large schools, denominational schools, English medium, Welsh medium and bilingual schools and those in rural and urban settings.

From there two settings in each LA area, reflecting all kinds of provision in Wales will be selected to form the pilots from September 2004

8. Iaith Pawb

We are continuing to make excellent progress with the programme of work set out in the Iaith Pawb Action Plan. Key aspects of our plans for taking forward Iaith Pawb during 2004 include the following:

In Early Years:

We expect the new Welsh-medium integrated Early Years centre in Aberystwyth to be completed in

2004. The Department has provided funding for this centre. A similar centre at Abercynon opened in 2003.

We will shortly announce the award of a contract to deliver our new training programme for Welsh-medium Early Years practitioners. The programme will train at least 150 practitioners by 2006 and will begin later in the year.

Trinity College Carmarthen is nearing completion of the comprehensive audit being conducted for us of Welsh-medium Early Years provision and its development needs. This audit will be available publicly in due course.

Piloting of the new Foundation Phase curriculum (which includes Bilingualism and Multi-cultural Understanding as one of its seven Areas of Learning) will begin in September. ACCAC will be remitted in 2004-05 to produce guidance on Bilingualism and Multi-cultural Understanding in the Foundation Phase.

We will also begin work to set targets for the expansion of Welsh-medium and bilingual provision. This work will be informed by the Trinity College audit, our survey of provision in 2001 and the shape of our new training programme.

In 5-16 Education:

A fresh set of LEA School Organisation Plans, containing LEAs' detailed plans for meeting the demand for Welsh-medium education will be adopted by April. These will provide a clear picture of how all LEAs plan to make progress.

We expect Key Stage 2 Welsh Immersion Pilots to begin in May (projects with children in Year 6) and September (with pupils in Year 3). Further details are provided separately in my Report.

During 2004 ACCAC will be submitting to us:

- advice on assessment of pupils' Welsh skills, including the potential for assessing pupils on a linguistic continuum
- advice on raising Standards in Welsh Second Language
- advice on continuity in Welsh-Medium Education
- good practice guidance on the use of Welsh-medium teaching in English-medium schools.

Following discussions already held with LEAs and the Welsh Language Board, we will also consult in

2004 on new definitions of Welsh-medium schools, which should facilitate more accurate monitoring of progress and levels of provision.

ACCAC will receive its additional £400k funding to boost support for Welsh-medium classroom materials and Welsh-medium qualifications from 2004-05.

In post-16 Learning:

I expect ELWa to make significant progress in 2004 in developing bilingualism in the post-16 sector, including the learning of the Welsh language and learning wholly or partially through the medium of Welsh. We will also look to ELWa to work with partners in the pre-16 and HE sectors to take account of the needs and impact of these on bilingual learning in the post-16 sector, thereby ensuring a joined-up approach and improved progression for learners.

Progress by ELWa against its 2003-04 target of 9,000 Welsh-medium learners in FE will be assessed and a challenging target set for 2004-05.

ELWa's Bilingual Learning Strategy (in its second year) will deliver new learning resources and training for practitioners.

A weighting for the extra costs of Welsh-medium provision will be developed within ELWa's new National Funding System.

ELWa will assess progress against its 2003-04 target of 18,000 learners in Welsh for Adults (WfA). ELWa will consider the outcomes of its review of WfA with a view to strengthening provision and improving opportunities. In doing so, it will also take into account Estyn's inspection of WfA.

In Higher Education:

During 2004 we will continue to challenge HEFCW and HE Institutions to make progress towards our target of 7% of HE learners in Welsh-medium provision by 2010. HEFCW recently established a new national Steering Group to develop a strategy and oversee progress towards the 7% target. I welcome the establishment of this Steering Group. It met for the first time on 4 November and agreed to establish three sub-groups to work in more detail on:

- pro-active marketing and stimulating demand amongst existing and potential students;
- staff development and recruitment programmes;
- development of new provision and approaches to delivery and the creation of collaborative frameworks between institutions

In my recent Aberystwyth statement, I made clear that I expect and encourage HE Institutions to bring forward collaborative proposals to use some of the funds available under Reaching Higher to boost their

Welsh-medium provision. UW Aberystwyth, UW Bangor and Trinity College have already developed new Welsh-medium environmental science modules with support from the Reconfiguration Fund.

HEFCW itself will continue to use its Welsh-medium premium, Welsh-medium provision fund and Welsh-medium fellowships as instruments to drive forward progress in the sector. Two Welsh-medium teaching fellowships have recently been announced by HEFCW – in Psychology at UW Bangor and French at UW Swansea.

9. Immersion pilots

Iaith Pawb gave a commitment to establish pilot projects involving immersion or intensive language teaching to pupils in primary schools as a means of establishing further entry points into Welsh-medium education. This is because it is difficult or impossible to enter the Welsh-medium sector other than at the age of 3 or 5.

Following advice from a group of experts who considered the Intensive Core French model which I observed in Newfoundland, I asked the Welsh Language Board to develop and implement these pilot projects. The Board has appointed a Project Director – an experienced primary head teacher - whose task it is to identify schools (including secondary schools who can provide the necessary continuity) to take part, and to engage the support of LEAs.

I have written to all Directors of Education inviting them to assist in the task of identifying schools, and to consider what practical support and encouragement they could give to such schools.

A number of schools have already signalled their interest and discussions with LEAs are ongoing. The response has been positive.

Pilot projects involving pupils in Year 6 will start in May 2004. Pilot projects involving pupils in Year 3 will start in September 2004. The intended outcome of the projects is to enable pupils to transfer into the Welsh-medium sector or to study more subjects through the medium of Welsh in a predominantly English-medium or bilingual setting that would otherwise have been the case.

10. ELWa remit letter 2004-05

A copy of the ELWa remit letter 2004-05 has been placed on the Intranet. I have made very clear in that letter that I want ELWa to build on the progress made so far. By the end of September 2004, ELWa must be able to demonstrate that it has completed the development of a stable, compliant and secure organisation with the capacity and capability to discharge its responsibilities effectively and efficiently.

My remit letter sets out a number of important challenges for the new ELWa team in the months ahead. Crucially, ELWa is undertaking a comprehensive review of learning in the workplace. All programmes for the delivery of work-based learning and skills for business will be evaluated and reviewed to ensure

their continuing relevance to the needs of learners and employers. The review will provide an essential building block in ELWa's reform of the planning and funding of learning. I expect ELWa to make recommendations to me by the end of September 2004 on arrangements for the future organisation, development and improved delivery of these programmes in line with the priorities established by the Assembly Government.

The oral statement from the plenary debate on 20 January is at annex D and the Government response to the Audit Committee Report is at annex E.

11. Minutes of Minister's meeting with representatives of Voluntary sector networks on 20 October 2003

The minutes of the meeting are at annex C. The Paper to note on the Review of the Voluntary Sector Scheme will be on the agenda of the next ELL Committee meeting on 25 February.

12. Secondary Legislation

The table of secondary legislation is provided at annex B. The table has been expanded to include the standardised format.

Annex A

MINISTERS ENGAGEMENTS – 4th December 2003 to 27th January 2004

4th December

SPCH - Flintshire Healthy School Scheme conference

SPCH - Launch consultation document on the education of hearing impaired pupils, Mold

VISIT to NSPCC Schools Team, Wrexham

MTG - ELWa Mid-Wales Regional Committee

5th December

MTG - EARLALL Board Meeting, Brussels

8th December

MTG - GTCW Council meeting

VISIT - Pontllanfraith Primary School

MTG - Secondary Heads Association (SHA)

MTG - NUS Wales to discuss devolution of student support powers

9th December

MTG - UCAC Annual Meeting

INTRVW - Lunch with Dragon's Eye

MTG - Parliamentary Select Committee Visit (PASC)

ATTEND - Informing Healthcare's pre-launch reception

10th December

MTG - NUS Lobby on ALGs

MTG - ATL

SPCH - Welcome Banquet for Chinese Vice-Presidents, Cardiff University

11th December

SPCH - Secondary Heads Association (SHA) Wales Cymru Conference, Llandrindod Wells

SPCH - HEFCW Reaching Wider Conference, Llandrindod Wells

VISIT - University Of Wales College Newport

15th December

MTG - Early Years Advisory Panel

SPCH - Higher Education Wales Conference

MTG - Meet winner of Christmas card competition

MTG - Mike De Val, Director of Education for Torfaen and Professor Richard Williams Re: Childrens Mental Health in the School Setting

VISIT - Royal Welsh College Of Music and Drama

16th December

SPCH - Opening of St Iltyd's Catholic High School

VISIT - Duvant Junior School, Swansea

MTG - Peter Clarke, Children's Commissioner, Swansea

MTG - UW Lampeter and Trinity College Carmarthen

17th December

SPCH/VISIT - Abercynon Infants School to present the Basic Skills Agency Quality Mark

SPCH/VISIT - United Utilities Photo-Shoot for Lifelong Learning Initiative

SPCH - Open Little Inspirations Day Nursery, Llantrisant

MTG - Sir Geoffrey Holland, new chair of the Learning and Skills Development Agency

MTG – Fforwm

18th December

MTG - NASUWT

MTG - John Gates, Chair of the All Wales Adult Learners Forum

MTG - British Sports Trust

MTG – WPSA

SPCH - Ysgol Llanbedr Pont Steffan's Prize Giving Evening

22nd December – 6th January – Annual Leave

7th January

VISIT - Ynyscynon Early Years Centre, Llwynypia

SPCH - Launch of the CITB Sector Skills Council

MTG - Baroness Catherine Ashton, Parliamentary Under Secretary of State for Sure Start, Early Years and Childcare

9th January

SPCH - Participate on Ministerial panel at 'North of England Education Conference', Belfast

12th January

MTG – CONFED

SPCH - Present cheques to the winners of this year's Robin Reeves Memorial Essay Competition

13th January

MTG – PAT

14th January

SPCH - Launch of Tai, Dysgu a Gwaith Cymru (TDG Cumru)

MTG - Bilateral with Sheila Drury, ELWa

15th January

SPCH/VISIT - Open new facilities at Georgetown Primary School, Tredegar

SPCH/VISIT - Open new facilities at Ystruth Primary School, Blaenau Gwent

MTG - CBI Wales

SPCH - Futurechef 2004, UWIC

MTG - National Training Federation (NTF)

16th January

SPCH - SNAP Cymru and The National Autistic Society's Information Day, Pontypridd

20th January

MTG – ESTYN (HMCI Susan Lewis)

MTG – Prof Richard Daugherty

MTG - Sector Skills Development Agency

SPCH - Sector Skills Development Agency Board Meeting Evening Reception

21st January

SPCH - Present Blaenau Gwent County Borough Council with the Basic Skills Employer Pledge Award

MTG - Governors Wales/Judicium

MTG - Jim Wallis, Jane Kennedy and Alan Johnson via Video Link

22nd January

SPCH/PRESENT - Baden Powell Primary School and Nursery Unit with the Basic Skills Agency Quality Mark

SPCH/PRESENT - Investors in People status award to Track 2000

SPCH - IShine Cymru Launch 2004

SPCH/PRESENT - Woodlands High School, Ely with a Sports Development Award to the student Richard Harrigan

26th January

SPCH - Open Ysgol Gyfun Bryn Celynnog's Exhibition

VISIT - Brynmawr School

SPCH - Launch Partnership for Equality: Action Higher Education

27th January

MTG – Prof David Benton

Annex C

Meeting Between the Minister for Education and Lifelong Learning and Representatives of Voluntary Sector Networks

Date: 20 October 2003

Venue: Conference Room B, National Assembly for Wales, Cardiff Bay

Present:

Jane Davidson AM Minister for Education and Lifelong Learning

Sandra Skinner Council for Wales Voluntary Youth Services (CWVYS)

Alice Greenlees WCVA

Martin Davies Cyd

Dominic Miles Cyfanfyd

Kieren Duff Wales Association of County Voluntary Councils

Jim Crowe Wales Disability Reference Group

Graham Price WEA South Wales

Alan Lansdown Head of Pupil Support Division

Dave Tutton Pupil Support Division

Olwen Minney Pupil Support Division

Purpose

1. The National Assembly for Wales' Voluntary Sector Scheme requires that each Assembly Minister meets with representative of relevant voluntary sector networks at least twice in any one calendar year.

Welcome and Introduction

2. The Minister welcomed voluntary sector partners and thanked them for attending. Voluntary sector representatives introduced themselves and informed the Minister of the organisation that they represented.

Developing the Role of the Voluntary Sector in the Education and Training Field

3. The Minister indicated that young people had generally welcomed opportunities in the 'Learning Pathways 14-19 Consultation Document', although there is some overall direction needed.
4. Voluntary sector partners were eager to make the point that they were already playing an important role in the education and training field and that there were a number of different roles that could be developed in order to help deliver the curriculum. They felt that young people should be involved in the organisation of projects (eg) voluntary and community action projects. Although this was very ad hoc at the moment, this was in their view a key area, which they would wish to develop and support. The Millennium Volunteers scheme was a prime example of where there were incentives for young people to get involved but they feared that the 200 hours allocated for the scheme was inflexible. They asked what could be done to create greater flexibility.
5. They went on to point out that there were for instance out of school hours opportunities within Flintshire LEA and there are examples good practice that existed with the opening of accredited training opportunities for young people which fit in with the 14-19 curriculum. They asked the

Minister if there would be implications for Estyn over this accredited training

6. They highlighted the fact they were not simply focussing on the volunteering aspect but also now on specific and general work placements for students. They believed this would be good for the 14-19 age group and curriculum. They asked the Minister for her comments on their current approach and how she felt the voluntary sector could focus on this challenge and what support they could expect.
7. The Minister said that one of the reasons that the Assembly has taken forward the Learning Pathways 14-19 agenda was because pupils in Wales were doing better now than they had ever done before. It is an Agenda across the board that demonstrates that by individualising learning we can provide better opportunities. Different strategies were obviously needed for different pupils, especially for those with SEN and disabilities. She was conscious that there are a large number of local voluntary organisations throughout Wales who have ad hoc arrangements in place to individualise learning for young people. However, she recognised that there were still a significant minority of young people who are not in school taking advantage of the opportunities. The Learning Pathways document will hopefully draw all these together in a more focussed and statutorily based way.
8. The Learning Pathways document also highlights the fact that the Assembly has a commitment to partnerships and network working. She considered that the voluntary sector should be fully engaged in this process. Involvement will become more defined and definite.
9. The Minister pointed out that whilst she was visiting New South Wales she saw good programmes that had been set up for pupils in Year 9. The Year 9 pupils had 9 weeks set aside for a community experience. The Minister said that we have not yet explored this option in Wales, but in the future the Assembly will be looking for ways to build this into the curriculum.
10. The Minister mentioned that Out of Hours learning is a difficult area at the moment due to the constraints on budgets. NOF funding was now progressively coming to an end and alternative long term sources of funding needed to be found.
11. The Minister said that the Welsh baccalaureate specifically drives community awareness, offers good opportunities and is accredited. She also said that the Millennium Volunteers scheme has been very successful for organisations like MENCAP where adults have hitherto driven children's agendas.
12. The Minister said that work placements were also very useful particularly when they move to a statutory basis from next year. She is aiming for young people to have a more adult / real experience rather than just a standard work placement and this can only be achieved through good planning and delivery.
13. The Minister pointed out that Wales are currently taking a leading role in accrediting time into learning and that the Assembly was looking at credit transfers with other countries in Europe. There was a specific project being run through ELWa with Spain and the Basque country on credit transfer that

can be used as a test bed. The Minister strongly recommended that the voluntary sector representatives should contact ELWa to discuss the project. Assembly Officials would provide the voluntary sector representatives with contact details of the ELWa project leader.

14. The Minister informed voluntary sector partners that Estyn would have the same fundamental inspection approaches across all sectors in Wales. Estyn will focus their inspections where they are most needed.
15. The voluntary sector partners pointed out that there is a concern between the voluntary sector and ELWa, partly because of the transition that had taken place with the former TECs and ELWa and partly because of the Learning Challenge Fund process. The voluntary sector felt that they have been promised a lot, but had received nothing. Things were beginning to improve but ELWa's internal problems have made things difficult, particularly in the absence of the new ELWa funding system. They were also concerned that on the basis of past practice that ELWa will not pay sufficient attention to the contribution that the voluntary sector should and could be making. Similarly, they were worried that the voluntary sector would be left out in terms of every day funding provision and would like to ensure that voluntary sector funding would be placed on the agenda for the next meeting.
16. The Minister acknowledged that it was fair to say that ELWa focussed on tackling procurement issues. Nevertheless, things were now better in terms of picking up the big issues and making decisions. The Chief Executive and new team will be in place by Christmas and Elwa has received a 7% increase in funding. The Minister was aware that there needed to be greater clarity over future planning, that appropriate safeguards were in place and, importantly, compliance with procurement procedures.

Implementing Good Practice in Partnership – Young Peoples Partnerships

17. The voluntary sector partners informed the Minister that funding from the last financial year picked up for part-time posts, which has made a huge improvement, and they would like to develop a strategy so that this can continue. This strategy would allow the voluntary sector to continue and extend their involvement and would build on work being created by these posts. Further funding would be required in order for this to happen.
18. In response, the Minister thanked the voluntary sector partners for the March 2003 'Report of the Three Seminars for the Voluntary Sector Representatives' and suggested that it should be made more widely available. They indicated

that another draft report has just been completed and that they would send her a copy.

19. The Minister suggested the idea of developing a handbook of good practice. It is a possibility that the Welsh Assembly Government could allocate some money for this project at the end of the year. They agreed to consider this possibility.
20. The Minister highlighted certain areas of the March 2003 report that stood out to her. She believed that it was a good idea and important to have job descriptions and personal specifications. The Minister was concerned that in the communication section of the report the voluntary sector felt that they could not put forward their views. She indicated that such

suggestions were always welcome and asked them to provide her with suggestions of how they would like to move forward.

21. The Minister stated that she could not give an indication of funding that would be available post 2004 because of the forthcoming Spending Review. However, she suggested that the voluntary sector partners might wish to look at the Assembly Manifesto and establish where the voluntary sector could fit in and how we could support them.

Making Effective Use of these Meetings

22. The Minister noted a reduction in the number of attendees at the meeting from the voluntary sector. This was welcomed since it enabled a more focussed discussion to take place. She believed that in future meetings there should ideally be two weighty items on the agenda, both of which are supported by a paper. The papers can be developed either by the voluntary sector or Assembly itself. The Minister also asked to have sufficient time allocated for tackling issues and action.

Matters arising – GEST Review, and Voluntary Organisations Funded from Education Budget

23. The Minister advised that the future of GEST was currently under review. It was her view that the original intention of pump priming innovative projects and approaches had been lost particularly through the proliferation of Activities. There was certainly a need for rationalisation and a great deal of re-focussing. She was keen to explore ways in which the voluntary sector could both contribute to the review and also benefit from it.

Any Other Business

24. The Minister urged the representatives to consider creative ways in which they could contribute to the Welsh medium agenda. The partners agreed to do so.
25. All parties agreed that the next meeting would be held in March 2004 and that it would consider their role within the Welsh medium and also the more general role of the sector.

Pupil Support Division
December 2003

Annex D

Plenary Debate 2003: Speaking Note

The Assembly Government published yesterday its response to the Audit Committee's report on the financial management of ELWa's innovation and development projects. In my statement today, I want

to set that in its proper context, and to bring Members up-to-date on the actions taken by the Assembly Government and ELWa.

The Assembly Government has fully accepted all the Audit Committee's recommendations. It bears repeating that these particular control failures at ELWa fell well short of the financial management standards that we expect from all public bodies in Wales.

We take that very seriously and the Audit Committee's report will be sent to all ASPB Chairs so that they can benchmark their corporate governance and risk management processes in the light of these unfortunate events at ELWa.

Since I made a statement to the Assembly last February on the issues associated with the Pop Centre project, the Assembly Government has taken a number of steps to ensure that ELWa improved its business systems and financial controls. ELWa has been tackling these issues with proper vigour and determination.

First and foremost, I required ELWa to prepare a prioritised action plan for dealing effectively with all areas of weakness identified in its management and business processes. I gave this particular prominence in my remit letter for 2003-04. Separately, the Permanent Secretary required a prioritised Action Plan from the interim Chief Executive and has subsequently monitored that plan against defined milestones and objectives. As Members will recall, consultants were commissioned by the Assembly Government to provide an independent assessment of the action plan and how it was being progressed. The consultants' reports were made available to all Members and we debated the action plan in plenary last November.

I am pleased to say that the consultants' reports revealed a picture of substantial improvement at ELWa with all the main milestones being achieved and new systems and processes in place. I, nonetheless, took note of all the consultants' recommendations, including their observation that there was more for ELWa to do in respect of organisational development and the embedding of its improved business systems. I have, therefore, arranged for the consultants to carry out a further assessment of the action plan in March and to undertake a final review in September 2004. I would expect these assessments to provide assurances that ELWa's improved systems are, by then, fully embedded and fit for purpose. These reports will be shared with Members.

Independent authentication of the improvements already made at ELWA is provided by the Auditor General for Wales issuing an unqualified audit opinion on the 2002-03 accounts. I take further comfort from that. In the Auditor General's press statement [yesterday], he acknowledged that ELWa has taken many positive steps and has improved its financial management. For example, the National Audit Offices testing of the procurement systems at ELWa found that there were tight controls over procedures and that they were being applied rigorously. The Auditor General also observes that ELWa undertook a rigorous and complete management review of all its live projects. Where appropriate, project approvals have, in most cases, now been granted, and action has been taken to guard against recurrences.

In my remit letter for 2004-05, I have made very clear that I want ELWa to build on the progress made so far. By the end of September 2004, ELWa must be able to demonstrate that it has completed the development of a stable, compliant and secure organisation with the capacity and capability to discharge its responsibilities effectively and efficiently. In particular, ELWa must by then have:

- completed the reshaping of its structure;
- secured a permanent senior team ;
- matched appropriate skills to needs across the full range of its responsibilities;
- refined its management and business processes; and
- successfully embedded an appropriate and effective corporate culture.

The appointment process for vacancies in the senior tier is well advanced. The new Chief Executive will take up her post in April. ELWa announced last week that it has made permanent appointments to two posts at Director level – Corporate Services and Finance and Risk. The new Chief Executive was consulted about both. That leaves the post of Director of Learning to be filled – and again the new Chief Executive will be involved in discussions about this key appointment too.

My remit letter sets out a number of important challenges for the new ELWa team in the months ahead. Delivery of the agenda for ‘Wales – A Better Country’ depends in no small measure on effective action by ELWa. Crucially, ELWa is undertaking a comprehensive review of learning in the workplace. All programmes for the delivery of work-based learning and skills for business will be evaluated and reviewed to ensure their continuing relevance to the needs of learners and employers. The review will provide an essential building block in ELWa’s reform of the planning and funding of learning. I expect ELWa to make recommendations to me by the end of September 2004 on arrangements for the future organisation, development and improved delivery of these programmes in line with the priorities established by the Assembly Government.

ELWa can now concentrate on delivering its ambitious agenda. It has an absolutely vital role in raising skill levels and lifelong learning opportunities throughout Wales. It deserves our full support. There can be no excuses for the failings that undoubtedly occurred and upon which the Audit Committee has reported. It has been a salutary experience for the Council leading to profoundly important lessons. What the Audit Committee has said also has implications for our handling of ASPBs generally – which must and will be taken to heart. Nonetheless, I believe that ELWa is now placed to make its contribution, as Wales’ largest Assembly Sponsored Public Body to the Welsh economy , Welsh education and training and to Wales as a learning country.

Annex E

Welsh Assembly Government's Response to the Audit Committee's Report on:

National Council for Education and Training for Wales: Financial Management of Partnership and Innovation and Development Projects and Assembly Government's sponsorship of ASPBs

The Welsh Assembly Government welcomes this report on these two subjects and sets out its detailed response below. In the case of the National Council we recognise the seriousness of the issues raised in the Committee's report. We are reassured by the fact that corrective action is being implemented by the Interim Chief Executive. The Auditor General has laid the National Council's 2002-03 accounts. In his report on the accounts he gave an unqualified audit opinion and concluded that "there is some cause for optimism", while recognizing that more work is needed to entrench the progress made and complete the action plan.

Recommendations and Response

On the National Council's 2001-02 financial position

(i) Any Assembly Sponsored Public Bodies finding themselves in a

similar position in future [i.e. faced with significant budget and expenditure problems] should enter into early and open dialogue

with their sponsor department, so that significant decisions on the

timing of commitment of public funds within the Welsh block can be

taken in full knowledge of wider strategic factors and due weight

given to the need to secure good value for money.

Agreed. The Welsh Assembly Government will draw the Committee's report and its recommendations to the attention of all ASPBs requesting that they should note and action as necessary this and other applicable recommendations.

On the Pop Centre MP3 Café project

(ii) The list of key project management weaknesses set out in Table 1 of

this report should be drawn to the attention of staff in all Assembly

Sponsored Public Bodies, in the firm expectation that the wider

lessons of this project will be learned for the future.

Agreed. This will be covered in the action set out under (i) above

(iii) This report should be circulated by the Welsh Assembly Government to the Chair of each sponsored body and the Chairs of their respective Audit Committees, in order that they might benchmark their own corporate governance and risk management processes in the light of the National Council's experience.

Agreed. The Finance Minister will write to all Chairs.

On the other projects managed by the National Council

(iv) The remaining outstanding remedial measures should be implemented urgently, both to correct weaknesses found in existing projects and to ensure that there can be no recurrence of these serious failings on new projects. This Committee would like to be notified by the National Council once it has completed its implementation of the programme of corrective action.

Agreed. The National Council has taken significant measures to ensure that new projects are approved and operated in accordance with its control documents. Detailed procedures have been developed to improve project planning, implementation, monitoring and evaluation. Of the 47 projects and schemes found to be non-compliant following ELWa's internal review in April 2003, corrective action has been taken in all but six cases. Action is ongoing to resolve the outstanding issues and it is expected that all the necessary approvals will be obtained by the end of March 2004. The National Council will notify the Audit Committee when its programme of corrective action has been completed.

On the payments to Training Providers in March 2002

(v) The Welsh Assembly Government should draw the attention of all Assembly Sponsored Public Bodies to the lessons to be learnt from this instance of financial mismanagement and stress to them that the

circumvention of controls is not to be tolerated.

Agreed. This will be covered in the action set out under (i), (ii) & (iii) above

On the Welsh Assembly Government's sponsorship of ASPBs

(vi) We endorse the Permanent Secretary's suggestion of a two-year

'probation' period for new ASPBs during which they should be

subjected to more rigorous scrutiny than normal, and recommend that

this be instituted with immediate effect.

Agreed. This will be covered in revised guidance (see also (viii) below)

(vii) The probation period should conclude with an independent external

assessment of the quality and effectiveness of the body's systems of

control, the results of which should be reported to the Permanent

Secretary as Principal Accounting Officer. Completion of the

probation period should be dependent on the satisfactory results of

that external review.

Agreed. This will be covered in revised guidance (see also (viii) below)

(viii) The Assembly Compliance Office should provide more generic

guidance to sponsor department officials on the discharge of their

responsibilities.

Agreed. This will be produced and issued as early as possible in 2004 and a copy sent to the committee.

(ix) The training provided to sponsor department officials on the principles

of effective sponsorship should also be thoroughly overhauled, and the Assembly Compliance Office should work closely with the Auditor General and his staff to secure real improvements in this regard.

Agreed. This has already started and will build on the programme outlined by the Permanent Secretary to the Committee. The Assembly Compliance Office have already started developing such training with Government's Centre for Management and Policy Studies (formerly Civil Service College) and are further developing this work with the Auditor General and his staff to produce a pilot session to run in early February.

(x) The Welsh Assembly Government should review the rationale for continuing the existing imposition of a fixed 2 per cent carry-over limit for all sponsored bodies, irrespective of the nature of their operations.

Agreed. The Welsh Assembly Government has reviewed the present 2% limit and is minded to increase it in order to help ASPBs improve their budget management, whilst at the same time maintaining robust control over the utilisation of and value for money obtained from grant-in-aid. Discussions on the appropriate limit will take place with ASPBs over the next 3 months so that changes can be implemented for 2004-05 year end.

(xi) . We recommend that the Welsh Assembly Government should review its appointment procedures for senior posts, particularly where new public bodies are being created.

Agreed. This will be done as part of the review of guidance to sponsor divisions(see (viii) above).