

# Agenda – Children, Young People and Education Committee

Lleoliad:

Committee Room 1 – Senedd

Dyddiad: 10 November 2016

Amser: 09.00

I gael rhagor o wybodaeth cysylltwch a:

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## 09.00 – 09.30 – Informal meeting

### 1 Introductions, apologies, substitutions and declarations of interest

(09.30)

### 2 Scrutiny of Welsh Government draft budget 2017 – 18 – Cabinet Secretary for Education and Minister for Lifelong Learning & Welsh Language

(09.30 – 11.00)

(Pages 1 – 90)

Welsh Government

Kirsty Williams AM – Cabinet Secretary for Education

Alun Davies AM – Minister for Lifelong Learning & Welsh Language

Huw Morris – Director Skills, Higher Education and Lifelong Learning (SHELL)

Steve Davies – Director, Education Directorate

**Dogfennau atodol:**

Research Brief

CYPE(5)-10-16 – Papur | Paper 1



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

### **3 Paper(s) to note**

(11.00)

**Inquiry into Youth Work – additional information from WLGA following meeting on 6 October**

(Pages 91 – 95)

**Dogfennau atodol:**

CYPE(5)-10-16 – Papur | Paper 2 – papur i'w nodi | paper to note

**Budget paper from Cabinet Secretary for Health, Well-Being & Sport in response to a request for information from the Committee**

(Pages 96 – 111)

**Dogfennau atodol:**

CYPE(5)-10-16 – Papur | Paper 3 – papur i'w nodi | paper to note

**Letter from the Cabinet Secretary for Finance and Local Government to Chair of Finance Committee – Welsh Government's Draft Budget 2017-18**

(Page 112)

**Dogfennau atodol:**

CYPE(5)-10-16 – Papur | Paper 4 – papur i'w nodi | paper to note

**Letter from the Chair to the Cabinet Secretary for Education – Review of Higher Education Funding and Student Finance Arrangements in Wales**

(Pages 113 – 117)

**Dogfennau atodol:**

CYPE(5)-10-16 – Papur | Paper 5 – papur i'w nodi | paper to note

**4 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the meeting for the remainder of the meeting**

**5 Scrutiny of Welsh Government draft budget 2016 – 17 – wash-up**  
(11.10 – 11.20)

**6 Inquiry into Youth Work – Consideration of Key Issues**

(11.20 – 11.50)

(Pages 118 – 143)

**Dogfennau atodol:**

CYPE(5)-10-16 – Papur | Paper 6 – preifat | private

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**National Assembly for Wales  
Children, Young People and Education Committee  
CYPE(5)-10-16 – Paper 1  
Response from : Welsh Government**

**Title: Evidence paper on the Draft Budget 2017-18 - Education Main Expenditure Group (MEG)**

**Introduction**

1. This paper provides information to the Children, Young People and Education Committee on the Education Main Expenditure Group (MEG) proposals outlined in Draft Budget 2017-18, which was published on 18 October. It also provides an update on specific areas of interest to the Committee.

**Background**

2. Draft Budget 2017-18 provides a one year plan for revenue investment and a four year plan for capital investment in the provision of education in Wales. The tables below provide an overview of the planned Education MEG published in Draft Budget 2017-18.

£000s					
Education - Summary	2016-17 First Supplementary Budget	2017-18 Draft Budget New Plans	2018-19 Draft Budget New Plans	2019-20 Draft Budget New Plans	2020-21 Draft Budget New Plans
Resource DEL	1,445,445	1,490,899			
Capital DEL	175,768	100,813	128,061	135,745	143,890
<b>Total DEL</b>	<b>1,621,213</b>	<b>1,591,712</b>	<b>128,061</b>	<b>135,745</b>	<b>143,890</b>
Resource AME	-71,147	-90,054			
Capital AME	414,050	491,871			
<b>Total AME</b>	<b>342,903</b>	<b>401,817</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total - Education</b>	<b>1,964,116</b>	<b>1,993,529</b>	<b>128,061</b>	<b>135,745</b>	<b>143,890</b>

RESOURCE DEL SUMMARY					
£000s					
SPA	2016-17 First Supplementary Budget	Baseline Adjustments	2017-18 Revised Baseline	2017-18 Changes	2017-18 Draft Budget New Plans
Resource DEL	1,445,445	-5,416	1,440,029	50,870	1,490,899
Capital DEL	175,768	-74,955	100,813	0	100,813
<b>Total DEL</b>	<b>1,621,213</b>	<b>-80,371</b>	<b>1,540,842</b>	<b>50,870</b>	<b>1,591,712</b>

3. The First Supplementary Budget figures for 2016-17 have been revised, removing any one off allocations as part of that supplementary budget or previous budgets, and including any permanent MEG to MEG transfers. This is to enable a like for like comparison of the 2016-17 budgets with the 2017-18 draft budget.
4. The following table shows the reconciliation from the published First Supplementary Budget 2016-17 to the revised 2017-18 baseline budget for the resource and capital elements of the MEG.

<b>Resource DEL</b>	<b>£000</b>
Published First Supplementary Budget 2016-17	1,445,445
Allocation in First Supplementary Budget 2016-17 - HEFCW	(10,000)
Invest to Save – Student Loans Company	94
Transfer of budget back from Economy and Infrastructure MEG for Offender Learning (transferred in First Supplementary Budget 2016-17)	3,328
Transfer from Economy and Infrastructure MEG for Erasmus	162
Transfer from Local Government MEG (RSG) – to enable sharing of teachers' subsidy across all practitioners	1,000
<b>Revised 2017-18 baseline</b>	<b>1,440,029</b>
<b>Capital DEL</b>	
Published First Supplementary Budget 2016-17	175,768
Allocation from centrally retained capital funds in Draft Budget 2016-17 - FE projects	(21,934)
Allocation from centrally retained capital funds in Final Budget 2016-17 - FE projects	(10,000)
Transfer of General Capital Funding (GCF) to Local Government MEG (presentational change only)	(43,021)
<b>Revised 2017-18 baseline</b>	<b>100,813</b>

5. Compared to the revised baseline for 2017-18, the total Resource DEL allocation for Education has increased by £50.9m (3.5%). The movements are set out in detail under the relevant Actions below. In summary the movements for 2017-18 are:

	<b>£000</b>
Removal of time limited central support for Schools Challenge Cymru which comes to an end in 2016-17	(15,000)
Funding from Reserves to meet the pressures of maintaining the current student support package	15,000
Funding from Reserves to deliver the government's commitment to raise schools standards	20,000
Budget agreement - funding to mitigate the pressures in Further Education and Higher Education, to improve collaboration and strategic links between HE and FE and to start the implementation of Welsh Government response to Diamond	30,000
Budget agreement - funding to support further development of Welsh for Adults	5,000
Additional non-fiscal resource cover for Qualifications Wales and HEFCW	108
Net cut to the Education MEG - amount transferred back to Reserves	(4,238)
<b>Resource DEL – net increase</b>	<b>50,870</b>

6. There has been no change to the revised 2017-18 baseline of £100.8m for the capital budget in 2017-18, although increases are planned for future years of £27.2m (2018-19), £34.9m (2019-20) and £43.1m (2020-21). This increase is primarily to enable the provision for investment in infrastructure to support the Childcare Offer which will be delivered in conjunction with the 21<sup>st</sup> Century Schools and Education Programme from 2018-19.
7. The Annually Managed Expenditure (AME) budget is primarily related to student loans which are demand led and sensitive to interest rate and other macro-economic factors and therefore difficult to forecast. This budget is agreed with the Treasury each year and is fully funded. The budget has increased by £58.9m for 2017-18.
8. The Action level budget plans for the Education MEG were published on 18 October. To aid transparency a breakdown of changes to the Education MEG by Budget Expenditure Line (BEL) is provided at Annex A. The report provides detail on 2016-17 First Supplementary Budget allocations, 2016-17 forecast outturn and 2015-16 final outturn. As requested by the Committee, any BELs which had funding transferred out at the First Supplementary Budget 2016-17, due to the realignment with the new government portfolios, are highlighted (in green) and outturn figures for 2015-16 amended to enable comparisons with the 2017-18 draft budget.

### **Budget Context – including Education Priorities**

9. This is a Budget which has again been developed against the backdrop of uncertain and difficult times. All of the decisions that we face are difficult. There are no easy answers and there has been no way that we can shield services from the effect of the UK Government cuts and the implications of prioritising spend.
10. A new Programme for Government, *Taking Wales Forward* was published in September 2016. It sets out how this government will deliver more and better jobs through a stronger, fairer economy, improve and reform public services and build a united, connected and sustainable Wales. The priorities are developed around four cross-cutting themes which will set the framework for how our priorities are delivered:
  - Prosperous and secure
  - Healthy and active
  - Ambitious and learning
  - United and connected
11. The Education portfolio is responsible for taking forward a number of the priorities set out in *Taking Wales Forward*, primarily under the theme of 'Ambitious and Learning' which sets out clear priorities for delivery of education in Wales.

12. Education reform is our national mission. Working together we will ensure that our young people have an equal opportunity to reach the highest standards. I have agreed, with the First Minister, ten priorities for education in Wales, which now feature as key priorities in *Taking Wales Forward*:
- Reducing infant class sizes;
  - Ensuring every child gets the best start in life through an expanded Pupil Deprivation Grant;
  - Prioritising schools access to super-fast broadband within the national programme;
  - Incentivising, recognising and promoting teaching excellence so that we raise standards across the board;
  - Promoting and enhancing both academic and vocational routes into and through further and higher education, and the national, international and civic roles of our educational institutions. This includes both full and part-time opportunities that will benefit learners of all ages, employers and communities.
  - The impact of current policy on surplus school places is reviewed, with emphasis on rural schools, to better take account of future growth trends;
  - Consulting further on the specific recommendations of the Hazelkorn review.
  - Exploring a potential expansion of the remit of the Coleg Cymraeg Cenedlaethol to include further education
  - Prioritising support for enhanced links between education and industry, enabling innovation and entrepreneurship across our public and private sectors in collaboration with our universities and colleges; and
  - The recommendations of the Diamond Review are considered, with a view to early implementation where appropriate, but there will be no negative effect on the higher education budget if there are any changes.
13. In terms of prioritisation, delivery across all of these commitments remains of equal importance. However, I expect all our policies to help raise standards and further narrow the attainment gap between pupils from our most deprived communities and those from more prosperous areas. The Education MEG proposals for this budget reflect our strategy to align funding to deliver these priorities, whilst being realistic and allowing sufficient flexibility given the continuing squeeze on budgets.
14. As a result of the Budget agreement with Plaid Cymru, we have secured an additional £30m in 2017-18 to support priorities, and improve collaboration and links between further and higher education. A further £15m has been invested to maintain the current student support arrangements before the implementation of changes recommended in the Diamond Review. Additional funding of £20m has been allocated in 2017-18 as part of the pledge to provide £100m over this government term to improving school standards. This funding will be invested to support our key education priorities.



15. I have met with the Cabinet Secretary for Finance and Local Government as part of preparations for draft budget to discuss my priorities for the Education portfolio. However given the difficult budget settlement, delivery of some of my priorities will be funded through the review and reprioritisation of existing resources within the MEG (including the £4.5m increase announced for PDG). Further details on funding allocated to support my education priorities is contained in the Action level summary and specific areas section of this paper.
16. In light of the growing financial pressures, we commissioned Professor Ian Diamond to undertake an independent review of higher education funding and student finance arrangements in 2014. A key priority of the review was to consider the long-term financial sustainability of the Higher Education system. The findings of this review were published on 27 September and will help inform the next steps for higher education funding in Wales. The Welsh Government will issue its formal response to the report once it has concluded discussions with the HMT and SLC about the practical implication of implementing our proposals. In the interim, expenditure on the tuition fee grant continues to increase on an annual basis. The draft budget includes an additional transfer to reflect the forecast cost of the Tuition Fee Grant as well as savings that have been made in the Welsh Government learning grant budgets. However and in order to reflect pressures on HEFCW budgets, additional funds have been allocated to HEFCW for the 2017-18 year. This allocation will mitigate against reductions in funding against key Welsh Government priorities, for example, part-time, QR and expensive subject premium and reflects the funding council taking responsibility for some part of the future designation process in Wales. The government will ask that funding will be targeted at improving collaboration and strategic links between HE and FE and to start the implementation process for the Welsh Government response to Diamond.

### **Action level summary**

17. As requested by the Committee, a summary of draft budget changes by Action relevant to this Committee is provided below. As detailed in paragraph 3, the summary reflects changes from the revised baseline for 2017-18 in order to enable a meaningful comparison.

### ***Literacy and Numeracy Action***

<b>2017-18 Revised Baseline £000</b>	<b>Budget changes and reprioritisation £000</b>	<b>2017-18 Draft Budget £000</b>
4,456	-	4,456

18. The budget funds a range of interventions to support the agenda of improving literacy and numeracy skills of children and young people. There is no change to this budget in 2017-18 as a result of the priority placed on literacy and numeracy in enabling us to develop a self-improving education system.

19. Funding within this Action specifically supports the implementation of actions set out in the National Literacy and Numeracy Programme; however literacy and numeracy are embedded across the delivery of education policies. The budget also supports the development and delivery of Reading and Numeracy Tests.
20. The support offer for literacy and numeracy is already delivered in an effective and efficient method by consortia through the Education Improvement Grant, which has within its remit the priorities of literacy and numeracy. This adds substantially to the total support offered for these skills in schools.

### **Curriculum Action**

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
32,550	(16,849)	15,701

21. This action is made up of the Foundation phase BEL (policy work only, the delivery funding now sits in the Education Improvement Grant within the Education Standards Action), the Curriculum and Assessment BEL and the Curriculum Review and Schools Challenge Cymru BEL. The budget decreases by £16.8m compared to the baseline.
22. The decrease is primarily as a result of an adjustment within the Curriculum Review and Schools Challenge BEL to remove the time-limited central support of £15m for Schools Challenge Cymru which comes to an end in 2016-17. An update on Schools Challenge Cymru programme is provided in the specific areas section below.
23. The funding to support the implementation of *A curriculum for Wales: a curriculum for life*, published in October 2015, remains at £5.4m in recognition of our commitment to design, develop and make available a new Curriculum for Wales by 2018.
24. As we move forward with developing the new curriculum, we are looking to embed areas that have previously been specifically funded, such as PE and science, enabling us to taper down some of these projects. The budget for Technquest has reduced by £0.2m to reflect the agreed withdrawal of core funding to Technquest (TQ) and Technquest Glyndŵr (TQG) over the next four financial years. The transition period is designed to help TQ and TQG move to new business models. There is a reduction to PE and School Sport budget of £0.5m. The Physical Literacy Framework will be considered by Pioneer schools during the development of the new curriculum. The GCSE support budget has been reduced by £1m following the phased introduction of new GCSEs over the period 2015 to 2017.

## **Teaching and Leadership Action**

<b>2017-18</b>	<b>Budget changes and reprioritisation</b>	<b>2017-18</b>
<b>Revised Baseline</b>	<b>and reprioritisation</b>	<b>Draft Budget</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>
22,221	(2,490)	19,731

25. The revised baseline figure for 2017-18 includes the transfer of £1m from the Revenue Support Grant (RSG) in respect of the subsidy for teacher registration fees. In 2015, the General Teaching Council for Wales was reconfigured to create the Education Workforce Council (EWC). This saw professional registration extended to include Further Education (FE) teachers working in FE Institutions in Wales. Professional registration has since been extended further to include all school and FE based Learning Support Workers in Wales. The transfer will enable the sharing of the subsidy towards the EWC teacher registration fee between all teaching practitioners.
26. This action includes the funding for initial teacher training and continued professional development for teaching professionals. This Action also includes funding for Pioneer Schools, where funding will remain at its current level of £5.65m. Sustaining current budget levels will be crucial to ensuring the successful delivery of the overall curriculum reform programme and also establishing a strong national pioneer network to support curriculum design and workforce development to realise the new Curriculum from 2018 onwards.
27. We are embarking on a large change programme in our education system and Initial Teacher Education (ITE) is a fundamental part of this. We know that the current system has weaknesses and this is a key time for us to consider all aspects of teacher recruitment, retention and development. It is important to consider how we develop a unique offer for people entering into teaching in Wales. There is a need to consider the undergraduate, post graduate and graduate teacher programme along with the incentives that are currently available so that we can not only attract but retain and develop high quality teachers.
28. This budget reflects our intention not to re-tender our graduate training programme currently delivered by Teach First. Whilst this programme has benefits, it remains costly and the retention figures have been disappointing. The final cohort will be supported up to and including July 2018. We will continue to be in talks with Teach First about future options on working together. In not retendering, the smaller scale Graduate Teacher Programme will be developed and enhanced to support the ITE Change Programme.
29. We also know that teaching incentives, although attracting students, are not effective in retaining teachers, and this budget reflects a reduction to teacher incentives budget of £1.75m as a result. We have commissioned a rapid review to explore this in more detail, which will report in December. Initial Teacher Education Training moving forward will be a more integral part of our

professional development programme, our leadership academy, and the work carried out by pioneer schools and supported by consortia - and is funded as part of that ongoing work.

### **Qualifications Action**

<b>2017-18</b>	<b>Budget changes and reprioritisation</b>	<b>2017-18</b>
<b>Revised Baseline</b>	<b>£000</b>	<b>Draft Budget</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>
8,169	(27)	8,142

30. This action funds Qualifications Wales which was established in September 2015. The majority of grant in aid funding for Qualifications Wales is to support their running costs (over 70%), with the remainder for the research and development work the body undertakes to underpin its work as a regulator.
31. The budget reflects the recurrent transfer in of £0.2m from the Welsh in Education Action. Responsibility for commissioning Welsh for Adults examinations which was previously undertaken by the Welsh in Education Unit has been transferred to Qualifications Wales from 1 August 2016.
32. The budget also reflects a 4% cut to the Qualifications Wales budget for 2017-18. Further detail on Qualifications Wales and how it plans to accommodate this reduction is detailed in the specific areas section below.

### **Post-16 Education Action**

<b>2017-18</b>	<b>Budget changes and reprioritisation</b>	<b>2017-18</b>
<b>Revised Baseline</b>	<b>£000</b>	<b>Draft Budget</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>
401,405	6,281	407,686

33. The revised baseline figure for 2017-18 includes the transfer of £0.162m from the Economy and Infrastructure MEG in respect of the Erasmus activity.
34. This action includes funding for local authority sixth form provision, Adult Community Learning (ACL) provision, support for delivery in Further Education Institutions (FEI), support for projects and quality improvement activities, funding to support the delivery of the Seren networks which supports progression to Sutton Trust universities for the brightest learners; and Erasmus activities to support international mobility for staff and students.
35. The budget for post-16 Education Action has increased compared to the revised baseline budget by £6.281m, which is made up of two elements. Firstly £1.276m transfer in from Youth Engagement and Employment Action for Careers Policy and Sponsorship and Seren Network funding. The second

element is a £5.005m increase to Further Education Budgets to contribute towards the pay and related pressures faced by the sector.

36. The budgets within this action have now been merged into a single budget expenditure line (BEL) to allow greater flexibility within post-16 education. In 2016-17 there is an amount of £1.066m within the FE Policy and Apprenticeships Policy BEL with the balance of the funding being held in the Further Education BEL.

***Educational and Careers Choice Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
18,000	-	18,000

37. This action provides the core funding to Careers Wales (CCDG) which is a wholly owned subsidiary and limited company of the Welsh Government.
38. There is a statutory duty to provide careers information, advice and guidance services to people in schools and colleges. Careers Wales offers a differentiated service with face to face guidance focused on key priority client groups. Careers Wales continues to offer a range of services and support to young people and adults through different mechanisms, notably through the careerswales.com website, telephone helpline, face to face guidance interviews for priority clients groups, group work in schools as well as social media. During 2015-16 Careers Wales delivered 144,286 one-to-one interactions, 66,952 group sessions and received 1,452,235 sessions from its website.

***Higher Education Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
108,883	(4,497)	104,386

39. The revised baseline figure for 2017-18 includes the removal of £10m allocation to HEFCW awarded in 2016-17 1<sup>st</sup> supplementary budget.
40. The budget for Higher Education Action decreases by £4.5m compared to the revised baseline budget. This is made up of four elements.
41. Firstly, £24.1m transfer out to Post-16 Learner Support Action in relation to the Tuition Fee Grant. The responsibility and associated resources for the payment of the tuition fee grant to students, via the Student Loans Company, moved from HEFCW to Welsh Government for 2015-16. The amount also

includes the consequential reductions arising from the decision to reduce the tuition fee grant and to freeze the Welsh Government Learning Grants income thresholds and grant entitlement.

42. Secondly, £5.4m recurrent transfer out to the Welsh in Education Action for Coleg Cymraeg Cenedlaethol.
43. Thirdly, an increase of £25m has been allocated to HEFCW for 2017-18. This allocation will mitigate against reductions in funding to support key Welsh Government priorities, for example. part time, QR and expensive subject premium and reflects the funding council taking responsibility for some part of the future designation process in Wales. The Government will ask that funding be targeted at improving collaboration and strategic links between HE and FE and to start the implementation process for the Welsh Government response to Diamond
44. Lastly, an increase of £0.008m in depreciation costs to reflect actual cost to the Funding Council.
45. We recognise that there is still a reduction for HEFCW next year. But we have provided an additional £20m this year for a suite of measures that should assist the Council and HE institutions in Wales to deal with current and future financial pressures as we move towards implementation of the Diamond Report's recommendations.
46. Previously the Higher Education budget has been split over five BELs. The budgets have been merged into a single BEL for the revenue allocation and a separate BEL for the depreciation budget. This action has been requested by HEFCW and will achieve the following:
  - Merging the current four budget lines into a single budget line representing the actual funding that will be available to HEFCW to fund HE in Wales. This will become more important with the transfer of the tuition fee grant to Welsh Government and with the future implementation of Welsh Government response to Diamond;
  - Will allow HEFCW to manage budgets more efficiently without requesting Welsh Government approval for spend between lines; and
  - Make HEFCW more accountable for the allocation of its running costs to higher education institutions in Wales.

***Education Standards Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
137,529	19,271	156,800

47. The budget increases by £19.3m in 2017-18, primarily as a result of an additional £20m for school standards, as part of our pledge to provide £100m of additional funding over this government term to raise standards in schools. An update on the £100m additional investment in school standards is provided in the specific areas section below.
48. The Education Improvement Grant (EIG) continues to form the majority of this Action and is the main grant funding available to schools, local authorities and consortia to deliver improvements in school performance. Whilst the EIG will see a reduction of £1m in 2017-18, equivalent to 0.75%, we are still investing over £133m through the EIG which reflects our commitment to prioritise funding for schools. The grant will continue to provide flexibility for consortia, local authorities and schools to target the funding where it is needed most. However officials will continue to work with regional consortia and local authorities to further simplify arrangements, reduce administrative and management costs to ensure there is minimal or no impact on schools as a consequence of this reduction.
49. The budget also reflects the transfer of £0.5m to the Welsh in Education Action to support the extension of the Welsh Language Charter on a national basis. The Charter has been piloted in North Wales over three pilot phases.
50. Additional revenue funding of £1m has been earmarked in this Action to support priorities for class sizes (further detail on class sizes is set out in the specific areas section below).

***Pupil Deprivation Grant Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
89,246	4,500	93,746

51. The Pupil Deprivation Grant (PDG), introduced in April 2012 as part of a budget deal between the Welsh Government and the Welsh Liberal Democrats, is a key opportunity for schools to provide targeted support to reduce inequalities in educational attainment. I am sure that the committee noted the recent reduction in the GSCE attainment gap between eFSM students and non eFSM students. The creation of the PDG was initially for a three year period until 2014-15, but funding was extended in Draft Budget 2014-15 for another two years in recognition of the importance placed on this grant to help address the impact of deprivation on educational attainment. There has now been an adjustment to the 2016-17 baseline to reflect central funding for the PDG moving into the Education MEG from 2017-18.

52. I have allocated a further £4.5m in 2017-18 to support the increase of the early years element of the PDG, doubling the amount of support from £300 to £600 for eligible three and four year olds.

***ICT and Information Management Systems Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
6,935	(276)	6,659

53. This Action supports the delivery of the curriculum through providing access to a range of high quality digital teaching tools and resources, including Hwb through the Learning in Digital Wales (LiDW) programme and JISC (a UK shared service network for post 16 education); the Unique Learner Number project and in house data management systems.
54. Successful Futures sets out how important digital literacy is for the 21st century curriculum and learning, however in light of the difficult budget settlement a small reduction has been applied to this Action. Investment and strategic support for the ongoing implementation of the LiDW programme will continue to be a priority, and savings can be achieved through reductions to staffing costs which will not impact on our capacity to deliver the agreed work programme.

***Wellbeing of Children and Young People Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
17,497	1,000	18,497

55. The majority of this action funds the specialist residential college placements for post 16 students with severe learning difficulties. This funding is statutory and demand led in accordance with Welsh Ministers duties under the Learning and Skills Act. The budget increases by £1m in 2017-18 to relieve the existing and future pressures in this area as demand increases for this type of provision. Specialist FE provision is essential in ensuring that those disabled young people whose needs cannot be met in their local college are able to access further education and training suitable to their needs.
56. We have continued to protect funding for School Milk Scheme in the Foundation phase and at Key Stage 2 at a subsidised rate.



### **Post-16 Learner Support Action**

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
553,967	35,849	589,816

57. The budget for the Welsh Government Learning Grant BEL within this Action has increased from the baseline budget by £34.8m to £467.3m. This budget includes the demand led statutory student support programme accounts for HE and FE. The budget supports Part-Time Grants and Fees, Student Loan Company (SLC) Targeted Grants, Welsh Government Learning Grant, Tuition fee grant and Education Maintenance Allowance. Part of the increase is a £24.1m transfer in from the Higher Education Action for Tuition Fee Grant. The responsibility and associated resources for the payment of the tuition fee grant to students, via the Student Loans Company, moved from HEFCW to Welsh Government for 2015-16. The amount also includes the consequential reductions arising from the decision to reduce the tuition fee grant and to freeze the Welsh Government Learning Grants income thresholds and grant entitlement.
58. We have maintained our commitment to provide financial support to students from the lowest household incomes into 2017-18 by retaining the overall level of support available for students. An extra £15m has been provided as part of the budget to meet the increased demand for student support grants, from increases in the numbers of students and those that are eligible for support.
59. The budget for EMA has been reduced by £4.3m to reflect the outturn position for financial year 2015-16 and projected forecast expenditure on this activity in financial year 2016-17. There will be no amendment to the EMA scheme, the eligibility criteria or grant entitlement as a result of this reduction.
60. The budget for SLC/HMRC administration costs BEL has increased by £1m. The increase will allow SLC to start to design the system that will implement the Welsh Government response to Diamond and will help maintain current service levels, despite an increase in application numbers.

### **Pupil Engagement Action**

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
658	(58)	600

61. This Action funds activities aimed at small projects and improving outcomes for vulnerable/ disadvantaged learners through improving wellbeing, behaviour and

attendance in schools; engaging families and communities; reducing exclusions; improving the quality of provision for learners education other than at school.

62. There is a small reduction to the budget for 2017-18 which can be achieved without having an impact on core policy commitments through utilising economies of joint working.

***Youth Engagement and Employment***

<b>2017-18 Revised Baseline £000</b>	<b>Budget changes and reprioritisation £000</b>	<b>2017-18 Draft Budget £000</b>
9,981	(1,442)	8,539

63. The revised baseline for 2017-18 reflects the transfer of £3.3m from the Economy and Infrastructure MEG for Offender Learning.
64. This Action funds a number of grants to support statutory and voluntary youth services in Wales and delivery of activity to support NEET reduction through the implementation of the Youth Engagement and Progression Framework. The budget decreases in 2017-18 compared to the baseline by £1.442m. This is mainly as a result of two elements. Firstly, £1.276m transfer out to Post-16 Education Action for Careers policy and sponsorship and Seren Network funding. Secondly, a £0.166m or 2.5% reduction to the remaining budget. Implementation of the Youth Engagement and Progression Framework has made good progress - the decrease in funding reflects a reduction in the need for direct activity to support implementation of the Framework.

***Welsh in Education Action***

<b>2017-18 Revised Baseline £000</b>	<b>Budget changes and reprioritisation £000</b>	<b>2017-18 Draft Budget £000</b>
18,681	10,550	29,231

65. The Welsh in Education Action increases by £10.6m for 2017-18. Part of this additional funding will support the further development of Welsh for Adults, and in particular the provision of Welsh language courses for the workplace, and part of which will support other initiatives to promote the use of Welsh. Further consideration will be given to how the additional £5m will be distributed in line with the priorities of the new Welsh Language Strategy currently being consulted upon.
66. There have also been a number of recurrent transfers which impact on this action:

- £5.4m from the Higher Education Action to fund the activities of Coleg Cymraeg Cenedlaethol from 2017-18;
- £0.5m from the Education Standards Action (EIG grant) to deliver programmes which support children and young people's informal use of Welsh, which include the extension of the Welsh Language Charter on a national basis; and
- £0.2m to the Qualifications Action in relation to the continued delivery of the Welsh for Adults examinations via Qualifications Wales.

67. The final change relates to a budget reduction of £0.150m. We will work to mitigate the impact of this reduction on the delivery of our commitments and we intend to manage the savings across the BEL as we plan in detail our commitments for 2017-18. The majority of the savings will be achieved from the remaining Bilingual Champions contracts coming to an end. Projects to support Post-16 activity will be reconsidered and reductions will be made within these activities as contracts are renewed to achieve the savings.

### ***Delivery Support Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000
2,887	(942)	1,945

68. This Action funds marketing and communications, research and the International Education Programme (IEP). It also includes funding for the Remploy programme, which is funded from the Education MEG although policy responsibility rests with the Cabinet Secretary for Communities and Children.

69. The change is a result of reductions to a number of budgets :

- £0.834m funding for Remploy based on forecast commitments against the scheme for 2017-18;
- £0.042m from marketing and communications budget; and
- £0.066m to the IEP, which will be managed by reducing activity with the British Council (subject to negotiation), where programmes can be brought to a natural conclusion.

### ***Capital – Estates and IT Provision Action***

2017-18 Revised Baseline £000	Budget changes and reprioritisation £000	2017-18 Draft Budget £000	2018-19 Draft Budget £000	2019-20 Draft Budget £000	2020-21 Draft Budget £000
100,813	-	100,813	128,061	135,745	143,890

70. This budget supports the 21<sup>st</sup> Century Schools and Education Programme. Band A of the programme will see investment of more than £1.4bn over the five year period ending 2019. All local authority areas will benefit from this major improvement programme, which will see the rebuilding and refurbishment of 150 schools and colleges. This budget will also be used to support any capital funding requirements to deliver our education priorities, including class sizes and prioritising schools access to super-fast broadband.
71. There has been no change to the revised 2017-18 baseline of £100.8m for the capital budget in 2017-18, although increases are planned for future years of £27.2m (2018-19), £34.9m (2019-20) and £43.1m (2020-21). This increase is primarily to enable the provision for investment in infrastructure to support the Childcare Offer which will be delivered in conjunction with the 21<sup>st</sup> Century Schools and Education Programme from 2018-19, with an additional £20m per annum allocated from 2018-19. The remaining increase relates to adjustment for the impact of inflation.

### **Budget monitoring**

72. Building on work undertaken for previous budgets, we have undertaken a continual line by line review of budgets to establish how further reductions can be managed whilst continuing to reflect our priorities. Whilst difficult decisions have had to be made, our priorities for education in Wales remain unchanged and our published spending plans for 2017-18 reflect this.
73. All budgets continue to be monitored and challenged on a monthly basis during 2016-17, to consider the latest forecasts and budget movements as necessary. I receive regular financial updates on the forecasts for the Education MEG to ensure that budgets remain on track to deliver the priorities for Wales.

### **Preventative Spending**

74. Within the Education portfolio we continue to put significant resources into areas of preventative spend in order to raise standards of literacy and numeracy and reduce the impact of deprivation on attainment. These early intervention programmes will impact a child early in their learning and give them solid foundations for their ongoing education which in turn increase their chances in the labour market.
75. The *Building a Brighter Future: Early Years and Childcare Plan* launched in July 2013, recognises that investing in the early years through education has a significant influence on a child's development. There is widespread agreement that early childhood experiences are crucially important for children's long term development and their achievements later in life. That is why we are continuing to fund the Foundation Phase to support the early years, through the Education Improvement Grant. By providing a statutory curriculum for all children aged 3 to 7 year olds, the Foundation Phase is directed to ensure that

children have the best possible start in life enabling them to achieve their full potential. The Education Improvement Grant for schools (School Improvement Grant BEL £134m) is therefore considered to be preventative, and combines grant funding for a number of other areas including SEG, Gypsy and Traveller children and ethnic minority children.

76. The Pupil Deprivation Grant (PDG) is a key intervention in preventing poverty, and provides funding directly to schools to invest in effective ways of tackling the impact of poverty on children's attainment. There is considerable evidence that investment which addresses barriers earlier in education has a disproportionate benefit on learners than later investment. That is why we are investing an additional £4.5m in the Early Years PDG in 2017-18, doubling the support we provide to disadvantaged pupils aged three and four in schools and settings across Wales.
77. We have protected funding within the Literacy and Numeracy Action which totals £4.5m for 2017-18. The funding provided for the national reading and numeracy tests is expressly intended to inform and support preventative actions and early interventions around learners' literacy and numeracy. It is more likely that learners who have lower-level literacy and numeracy skills will not progress into employment and this has consequences for economic growth. As these are key skills for life, and the lack of sufficient skills is a barrier to children reaching their full potential, all of the expenditure on tests is in itself preventative.
78. The implementation of *A curriculum for Wales - a curriculum for life* is preventative at its core. By improving the curriculum, and the way that the curriculum is used to support teaching and learning, our young people have the best chance of being equipped with the knowledge and skills they need to further their learning and enter into the workplace as better, more rounded contributors.
79. Our spend on the 21<sup>st</sup> Century Schools programme, which will invest nearly £2bn in new and refurbished schools, community schools and college buildings by 2024, is preventative in nature by ensuring that our school and college infrastructure provides fit for purpose environments to deliver a 21<sup>st</sup> Century Curriculum. The key aims of the programme are to reduce the number of poor condition schools which are being used inefficiently. Funding for replacement and or refurbishment will in the long run reduce backlog maintenance costs, future maintenance and revenue running costs through rationalisation of the school estate.
80. Reducing the inequality of educational outcomes between different groups is one of the main objectives we need to achieve in order, in the medium to long term, to lift children and young people out of poverty, reduce the likelihood of them becoming not in employment, education or training (NEET) or entering the criminal justice system and to give them the best opportunity to have improved health and life outcomes. The Youth Engagement and Progression Framework, funded from the Youth Engagement and Employment Action which totals £8.5m for 2017-18, is built around the needs of young people and the

accountability of different agencies, thereby strengthening and delivering better outcomes for young people.

81. Further Education is important in the drive to reduce the number of young people not in employment, education or training (NEET) and in increasing the skill levels of young people before they enter the world of work. There is evidence to suggest that ongoing education reduces the likelihood of committing crime or reoffending.
82. The funding allocated for the offender learning activity aims to enhance the skills and employability of offenders serving sentences in prison and in the community and thereby improves individuals' position within the labour market. Activities are specifically focused on raising essential skills levels and on engaging individuals with low or no skills who may not have participated in learning for some time. It is widely recognised that moving people into work has a dramatic impact on their health and ability to function in every day society. Up-skilling, particularly improving essential skills, makes a significant contribution to the Tackling Poverty agenda. This links with Wales' Reducing Reoffending strategy and will have an impact on crime reduction in Wales.

### **Impact of the United Kingdom leaving the European Union (EU)**

83. The result of the EU referendum has added to the level of uncertainty about future resources for Wales. Wales is a net beneficiary of EU funding with £650m coming into Wales each year. This is funding which plays a vital role in supporting growth and jobs across Wales, helping people into work and training, supporting businesses, driving innovation and helping to regenerate communities.
84. The First Minister has welcomed the Chancellor's confirmation that Treasury will provide a guarantee for all structural and investment projects approved before the UK leaves the European Union. Therefore until we actually leave the EU, funds will come to Wales as normal which means that we can be reasonably sure of funding up to 2020 and can approve projects that are committed during that period. This is a positive outcome for the Progress for Success ESF Programme which is funded from the Foundation Phase BEL within the Education MEG.
85. Extensive work is underway across the Welsh Government to ensure we maximise our influence in discussions within the UK, and in turn in formal EU negotiations, to secure the best possible outcome for Wales. We are working closely with the UK Government and other devolved governments to ensure the interests of Wales are heard and protected. These actions will help identify and focus on transitional measures we will need to take.
86. However the longer term implications of leaving the EU do not escape me and the need to take preparatory action remains a top priority. The UK's withdrawal from the EU brings significant challenges to our universities and colleges in Wales, including the issues associated with:

- Protecting overall income;
- Access to research funding and networks / programmes; and
- Applications by EU / international students to Welsh universities.

87. I have established a HE Brexit Working Group with representation from across the HE sector. Members of the group are showing great determination in addressing challenges and looking to capitalise on opportunities. I welcome the response by the HE sector to actively engage in this process and we can use the information gained to help make informed decisions on future adjustments to budgets that will support transitional needs and requirements.

### **Costs of Legislation**

88. The budget continues to take account of our current legislative programme. A table setting out the costs for 2017-18, of both previously enacted legislation and anticipated costs of Bills at published RIA stage or enactment, has been published alongside the Draft Budget narrative (Annex E). A more detailed update on the costs of our legislative programme relevant to the remit of this Committee is provided below.

### ***School Standards and Organisation (Wales) Act 2013***

89. The School Standards and Organisation (Wales) Act received Royal Assent on 4 March 2013. As part of its implementation, and actioned in Draft Budget 2013-14, funding of £21.8m for school based counselling and school breakfasts transferred to the Revenue Support Grant within Local Government MEG from 2013-14 onwards. This funding continues to form part of RSG allocation for 2017-18.
90. Under the Act, local authorities are accountable for planning Welsh-medium provision and Welsh Education Strategic Plans became statutory from April 2014. The implementation of the WESPs will continue to be supported through funding via the Education Improvement Grant. Costs associated with approving the Plans come from Welsh Government running costs.
91. In respect of school and local authority intervention there are no known costs falling to Welsh Government. Officials will be revisiting the statutory Schools Causing Concern Guidance, however there are only staff costs associated with the revision of this guidance.

### ***Further and Higher Education (Governance and Information) (Wales) Act 2014***

92. The Further and Higher Education (Governance and Information) (Wales) Act 2014 received Royal Assent on 27 January 2014. There are not expected to be any costs to the Welsh Government in 2017-18.

### ***Education (Wales) Act 2014***

93. The Education (Wales) Act which received Royal Assent on 12 May 2014, renames and reforms the existing registration body, the General Teaching Council for Wales (GTCW) to create the Education Workforce Council (EWC), extends the registration, qualification and training requirements of the education workforce, and makes provision for the determination of school term and holiday dates in Wales. We have agreed a registration fee model with the EWC that ensures they are completely self funding from April 2017.
94. There are no costs associated with school term dates other than staffing costs for the Welsh Government in liaising with local authorities regarding their term dates and where necessary consulting on the dates that Welsh Ministers propose to direct. This is consistent with information provided in the RIA to the Act.

### ***Higher Education (Wales) Act 2015***

95. Detail on this Act is given in the Higher Education section below.

### ***Qualifications (Wales) Act 2015***

96. The financial implications associated with the establishment of Qualifications Wales were published in the RIA of the Qualifications (Wales) Bill which received Royal Assent on 5 August 2015. The Act transfers regulatory responsibility for qualifications from the Welsh Government to Qualifications Wales which commenced its regulatory functions on 21 September 2015.
97. The legislation figures published alongside the Draft Budget narrative present a change to the anticipated costs for Qualifications Wales from those published at RIA stage, and reflect a 4% reduction which has been applied to the Qualifications Wales budget for 2017-18. Further details on the budget provision for Qualifications Wales is detailed under the Qualifications section below.

### ***Additional Learning Needs and Education Tribunal (Wales) Bill***

98. A RIA will be published as part of the Explanatory Memorandum to accompany the introduction of the Additional Learning Needs and Education Tribunal (Wales) Bill before the end of this year. The RIA will detail the overall costs and benefits of the provisions contained within the Bill. The Additional Learning Needs (ALN) BEL will be used to support the delivery and implementation of the Bill, through a package of activities that together form the ALN Transformation Programme. Further details on ALN are provided in the specific areas section below.

### ***Potential legislation on rural schools and surplus places***

99. Policy on surplus places is set out in the statutory School Organisation Code which was made under the School Standards and Organisation Act 2013. My



officials are currently amending the Code which I will publish for consultation shortly. I am keen to strengthen the policy within the Code in respect of rural schools, and I will need to await the outcome of the consultation responses before determining next steps on any potential legislative requirements that might be needed.

### ***UK Legislation***

100. There have been Welsh education related provisions in a number of UK Parliament Acts, which include:

- *Enterprise Act 2016* - Relating to the promotion of enterprise and economic growth; provision about Sunday working; and provision restricting exit payments in relation to public sector employment. No data has been received to date (neither on UK level nor Devolved Administration level) therefore no costs have been incurred to date.
- *Immigration Act 2016* - the Act makes provision about the law on immigration and asylum; to make provision about access to services, facilities, licences and work by reference to immigration status; to make provision about the enforcement of certain legislation relating to the labour market; to make provision about language requirements for public sector workers; to make provision about fees for passports and civil registration; and for connected purposes.

#### *Welsh Language element*

LCM was obtained on 15 March 2016 for Part 7 which relates to language requirements for public sector workers. In Wales, it places a duty on public authorities to ensure that persons employed in a customer-facing role speak fluent English or Welsh. There are no costs to Welsh Government because devolved functions are excluded from the language requirements

#### *The skills charge*

Section 85 came into force two months after Royal Assent - on 12 Jul 2016. The Immigration Skills Charge, set to be introduced in April 2017, will be levied on employers that employ migrants in skilled areas. Set at £1,000 per employee per year, and a reduced rate of £364 for small or charitable organisations, it is designed to cut down on the number of businesses taking on migrant workers and incentivise training British staff to fill those jobs. As this is not yet implemented there is as yet, no costs in Wales. There has been no further discussion regarding how funds will come to Wales.

101. During this current UK Government, we have also been monitoring a number of UK Bills announced in the Queen's speech, which have a specific interest in or may impact on the Education remit indirectly. These include:

- Education for All Bill
- Children and Social Work Bill
- Counter-Extremism and Safeguarding Bill
- National Citizen Service Bill

- Higher Education and Research Bill
- Wales Bill

102. As the Bills progress through the UK Parliament's legislative process as clauses are amended, removed and added, we will continue to work with Whitehall to understand the implications to the Department, including the full budgetary impact, if any. However, at this stage, it is anticipated that any additional costs if there are any will be minimal and can met from within the MEG if necessary.

### ***Subordinate legislation***

103. There are no significant cost implications for the Education MEG in 2017-18 as a result of subordinate legislation, with any costs of implementation being met from the existing departmental running costs budget.

### **Children's rights and other cross-cutting considerations**

104. Under the Rights of Children and Young Persons (Wales) Measure 2011, we have given balanced consideration to the rights set out in the UNCRC. A separate Children's Rights Impact Assessment for the overall Draft Budget 2017-18 and for Education MEG has not been published separately, but forms part of the Strategic Integrated Impact Assessment. This has again enabled us to give full consideration to socio-economic disadvantage, children's rights, Welsh language and sustainable development, in addition to the focus on equality and tackling poverty.

105. A Strategic Integrated Impact Assessment was published alongside the Draft Budget 2017-18 (Annex F). This provides an assessment of the impact of the budget on schools, Post-16 Education and Higher education under the area of ambitious and learning as published in *Taking Wales Forward 2016-2021*.

106. We are committed to using the *Wellbeing of Future Generations (Wales) Act 2015* to improve how we make decisions about the social, economic, environmental and cultural wellbeing of Wales. Our budget proposals have continued to look at how we embed the five ways of working to help maximise our impact, and take an integrated approach to considering impacts on protected groups and support a focus on our shared national goals. The four purposes of the curriculum, as set out in *Successful Futures*, which describe the planned outcomes for all learners in Wales, support the shared purpose and future of the Act for the long term economic, environmental and social wellbeing of Wales. We have ensured that other policies and programmes reflect our commitment to sustainability, by considering investment that we can make now to prevent more expensive action in the future.

107. Through the EIG arrangements we recognise that schools, local authorities and regional consortia are best placed to understand the needs of their learners and determine the most effective method of delivering improvements including allocating the resources to the areas of greatest need. We have agreed a set of high level outcomes with consortia and local authorities through the grant,

which include improving the performance of learners belonging to recognised groups where attainment is a significant concern, such as minority ethnic groups and Gypsy and Traveller learners. My officials continue to liaise with key stakeholders who lead on the delivery of Ethnic Minority Achievement Services and Gypsy and Traveller Education Services through ADEW and its Inclusion sub-group, and we recognise the excellent work going on around Wales to support these vulnerable groups.

108. Using evidence of impacts on protected groups balanced against our pressures, we have sought to focus resources on priorities based on an assessment of greatest positive impact and mitigate the effects of negative impacts wherever possible. The additional £1m we have invested in the Wellbeing of Children and Young People Action, for learners with learning difficulties and or disabilities at independent specialist colleges, is helping to create a positive impact on the protected characteristics of age and disability.

### **Specific areas**

109. This section provides an update on specific areas requested by the Committee.

### ***Funding for school improvement***

110. As we embark on the biggest education reform we have seen in Wales since the 1940s, with the development of a new and bespoke curriculum, the Welsh Government has committed an additional £100million to raise school standards over this Assembly term. Our reforms, shaped by the best from around the world, will ensure that our young people are able to lead fulfilling personal, civic and professional lives in our modern democracy.
111. The funding for the £100m pledge is an additional investment which will be contained within the Education MEG, and funding of £20m has been allocated to the Education Standards Action in 2017-18. This funding will be invested in our key priorities.
112. My officials have been engaging with key stakeholders on how best to invest this money and I will await the outcome of the OECD report before reaching decisions. From the outset I have made it clear that our education policies, to raise standards and reduce the attainment gap, will be developed with stakeholders and based upon evidence both at home and from abroad. Our discussions and the OECD will provide that.
113. I will be launching a refreshed strategic education improvement plan early next year which will focus on five improvement objectives: Wellbeing, Teaching and Learning, Curriculum and Assessment, Leadership and A self-improving system. This will be based around the evidence provided by the OECD in 2014 and further developed when they report back to me on progress to date later this year.

### ***Infant class sizes***

114. The scoping work is on-going and includes looking at those schools with class sizes of 29 or over with high levels of Free School Meals (FSM) and categorised as red or amber. This targeted reduction is a policy, linked to our other reforms, which will create the space for teachers to teach, pupils to learn and further support those from disadvantaged backgrounds. Budget allocations will be set once the scoping work has been completed. However in recognition of this being a priority that is shared by teachers and parents, additional funding of £1m has been earmarked in the Education Standards Action (School Improvement Grant BEL).

### ***Reducing the impact of deprivation and poverty***

#### ***Breaking the cycle of deprivation and poverty and its impact on educational achievement***

115. I want to create conditions to give every child the best start in life. Our education reforms focus on raising standards and closing the attainment gap between disadvantaged pupils and their peers. Underpinning our approach is the belief that someone's ability to benefit from education should not be determined by where they live or what their income is. I will continue to reduce inequalities and remove barriers to education. Further narrowing the attainment gap between pupils from our most deprived communities and those from more prosperous areas is core to our national mission. I expect all our policies to help raise standards and address this enduring injustice.
116. Latest provisional 2015/16 figures (October 2016) for the attainment of learners eligible for Free School Meals show our highest ever results. Provisional eFSM attainment at Level 2 inclusive in 2015/16 stands at 35.5%. This is more than 13 percentage points higher than before PDG was introduced (2010/11). Our analysis shows the rate of improvement in the performance of e-FSM learners has more than doubled since the introduction of PDG in 2012, rising from 1.1 percentage points per annum to 2.8 percentage points per annum. We are making real progress, but there is much more yet to be done.
117. That is why the Pupil Deprivation Grant (PDG) will be expanded and extended, to ensure that every child gets the best start in life. This expanded provision takes our total investment in the PDG to over £90m in 2017-18. Helping to deliver this from outside government was one of my proudest achievements, and now as Cabinet Secretary for Education, I am ever more determined to drive up opportunities and standards for our most disadvantaged learners. This focus not only benefits those learners, but will raise standards across the board.
118. Action through the PDG and the Welsh Government's strategic approach to supporting children from deprived backgrounds - *Rewriting the future* - is continuing to break the link between poverty and educational attainment. I am

considering a reinvigorated approach to the PDG, alongside a refreshed *Rewriting the future*, to ensure greatest impact to deliver sustainable, long term improvements.

*Evaluation of affordability, value for money and impact of PDG (with reference to looked after and adopted children)*

119. Evidence from Ipsos MORI/WISERD, Estyn and the Welsh Government's Raising Attainment advocate (Sir Alasdair Macdonald) supports the view that the majority of schools are making well thought out and appropriate decisions on how to spend PDG.
120. The way schools spend PDG is evolving. Schools that initially invested money in data monitoring systems are now concentrating on the delivery of interventions and on training and employing staff skilled in these interventions.
121. The PDG is being independently evaluated by Ipsos MORI and WISERD. They have published two evaluation reports to date (first report published in October 2014 and the second report in December 2015) which provide us with evidence on the changes that are taking place in schools as a result of the grant.
122. For this third year (2015/2016 academic year) of evaluation, the contractors have undertaken a refresh of the National Pupil Database impact analysis. The first draft of the final report is due to be received from the contractor in October 2016 and we intend to publish the report in the New Year.
123. Since April 2015, the regional education consortia has managed PDG to support the educational attainment of looked after children. We have adopted a flexible approach so that consortia are also able to support children who have been adopted or who are subject to various residence orders. These arrangements are designed to target support in a strategic way so that both looked after and adopted children are catered for with the most appropriate interventions.
124. £3.8m of PDG will be invested in improving the educational outcomes for looked after and adopted children in 2016-17. This is based on the numbers of looked after children of compulsory school age who are eligible for support at a rate of £1,150.
125. Measures are in place to evaluate the grant expenditure to ensure that the arrangements have been implemented by consortia as intended and adopted children have been considered for funded support where appropriate.
126. Over the past two years the educational attainment of looked after children has improved noticeably, going from a 13% pass rate at Key Stage 4 in 2013 to 18% in 2015. We need to continue this level of improvement.
127. The national strategy to support the education of looked after children in education - published in January 2016 - identifies key areas for action to better support these disadvantaged learners, supported by the PDG. The strategy is

a joint education/social services one to reflect the intrinsic relationship between the social context of the child and their educational attainment.

128. The strategy is accompanied by an action plan which sets out our commitment to improve educational outcomes for children who are looked after. It contains a timeframe for specific actions to be undertaken by the Welsh Government and its key partners. Progress against the commitments in the action plan will be reviewed annually and partners will be held to account for their performance to deliver better outcomes for looked after children. We are maintaining a clear focus on this work.
129. We have been working closely with Adoption UK (Wales) over the past 18 months to try and understand better how adoptive families can be supported in schools. We have already produced a video for schools to try and raise awareness of the complex issues that adopted children often face. Work is underway with Adoption UK (Wales) to produce guidance to increase confidence and knowledge of adoptive parents so that they can be effective partners alongside school staff to ensure that adopted children reach their full potential.

#### PDG expansion

130. With the continued impact of the austerity decisions made by the UK Government and the Welsh Budget reducing in real terms overall, we are continuing to prioritise schools. It is clear that we must make our money work harder and smarter for us. Funding has a critical role to play but it is an enabler, not an outcome in and of itself.
131. We have been clear in the new Programme for Government – *Taking Wales Forward* – that we need to reduce inequalities and remove barriers to education and to ensure that every child gets the best start in life through an extended PDG.
132. More of the same will not continue to drive the level of improvement we have seen this far. We need to learn lessons, we need to evolve and innovate. I will continue to consider where the investment through PDG can be targeted to have the greatest impact on educational and life chances. We need to continually review evidence and learn from experience to ensure that the investment through the PDG is having the maximum impact on learner attainment.
133. These lessons will be reflected in the new *Rewriting the future*. My officials are working with key stakeholders in education to ensure that the new reinvigorated approach can have even greater impact on the attainment of disadvantaged learners.

#### Early years provision

134. I have announced that the Early Years PDG (EYPDG) will be doubled to £600 per eligible learner aged three and four, with an additional £4.5m being

invested for 2017-18. This investment will benefit over 15,000 learners who are in the Foundation Phase in schools and settings across Wales.

135. Exact details of how the increased funding will be introduced are being considered but I intend to ensure we retain our straight forward and transparent approach to PDG. I will announce further details in due course.
136. We exceeded our 2017 target for Foundation Phase three years early, which was to reduce the attainment gap between those eligible for free school meals (eFSM) and those not (non e-FSM) by 10% over the 2012 figure (2015 figures show it has fallen by 19%).
137. National targets to be achieved by 2017 will continue to focus attention on closing the gap in the Foundation Phase. We want 80% of e-FSM learners aged 7 to achieve the expected level at the end of the Foundation Phase and that the between e-FSM and non e-FSM learners reduces by 34% (an absolute difference of 12%).
138. We have commissioned the National Foundation for Educational Research (NFER) to undertake an evaluation of the implementation of the EYPDG. This includes investigating school's understanding of the purpose of the grant and how different settings have chosen to interpret and implement it. The evaluation will provide information on how useful the EYPDG is and will help inform decisions about how best to tackle the achievement gap in early years settings in the future.
139. With the EYPDG only in its second year it is too early to formally evaluate its impact. The EYPDG was introduced in recognition of the fact that early intervention is likely to bring the most rewards, but EYPDG funding is considerably lower than the main PDG.
140. There is considerable authoritative academic and economic research – notably by the Nobel Prize winner, Professor James Heckman – that nurturing early development of cognitive and social skills in children under 5 especially from disadvantaged families leads to more capable, productive and engaged citizens.

### ***Schools Challenge Cymru***

141. Schools Challenge Cymru is supporting the 39 most challenged schools in Wales which, historically, have underperformed and struggled to keep pace with schools in less challenging circumstances. Each Pathways to Success school is benefitting from a package of support that is individually tailored to meet their needs and the needs of their cluster primaries. Beyond the 39 schools, the programme is helping to build capacity across regional education consortia, as part of efforts to move us towards a self improving school system. This investment in collaborative approaches and partnership working has been designed to ensure the programme has wider impact on school improvement in Wales.

142. After their first year in the Challenge, more than two thirds of the Pathways to Success schools recorded improvements in the Level 2 Inclusive. Looking across the programme, Pathways to Success schools improved by an average of 3 percentage points in this measure. While GCSE results are not, and should not, be the only measure of success, they are an important indicator of improving performance over time. Verified data on the schools' attainment of the Level 2 Inclusive following their second year in the Challenge will be available later this year.
143. The 2016-17 budget includes provision to support a third year of Schools Challenge Cymru up to March 2017. However the time limited central support for Schools Challenge Cymru comes to an end in 2016-17, and as such there is no budget provision for SCC in this 2017-18 draft budget. The Pathways to Success schools and regional education consortia have all developed their improvement plans in this context and, as such, are set up to implement appropriate exit strategies and transition arrangements from April 2017 onwards. Having said that, I will be reflecting on this summer's GCSE outcomes in Pathways to Success schools when the verified data is published, as well as evidence emerging from the independent evaluation of the programme. I will therefore be giving further consideration to the learning from Schools Challenge Cymru. This will include: how good practice developed as part of the Challenge can be embedded for the benefit of all schools in Wales; and, how the lessons learned can be used to inform the development and delivery of my priorities for Education during this term of government. These strands of enquiry will continue to develop as the evaluation of the programme reports its findings. The evidence generated will inform how we deploy the £100m we have committed towards improving school standards, including through my proposals for strengthening leadership, teaching and learning

### ***Surplus places and small/rural schools***

144. I have instructed my officials to develop proposals to address the progressive agreement commitment. This includes proposals for a strategy for small and rural schools to include defining and producing a list of rural schools, and strengthening policy in the School Organisation Code in respect of a presumption against closure of rural schools requiring more rigorous consultations and consideration of alternatives such as federation. It is also likely to include the development of a small and rural schools grant (likely to be funded from £100m) for the purposes of supporting school to school working, community use of buildings and providing admin support in schools where the headteacher has a significant timetabled teaching commitment to increase their capacity to provide leadership to raise standards.
145. Other proposals link in with reforms to increase school to school working and federation more widely and to strengthen leadership, in this case by building capacity of experienced leaders of rural schools to deliver effective executive leadership of groups of rural schools.



## ***Education workforce***

146. The teaching profession can only make its proper contribution to raising standards in our schools if our initial teacher education programme offers our future teachers the skills, knowledge and appetite to lead the change required. Professor John Furlong's report, *Teaching Tomorrow's Teachers*, is critical in part of this change programme. Budgets within the Teacher Development and Support BEL, specifically: Employment Based Initial Teacher Training; Teaching and Training grants; Promotion of teaching as career; and the Welsh Medium Improvement Scheme support the Initial Teacher Education (ITE) reform programme to improve the quality of provision delivered and better prepare our future teachers to develop skills to teach so that learners can learn.
147. The work begun under the banner of the *New Deal for the Education Workforce* is now being rebranded and refocused to advance a portfolio of professional development support which will extend capacity of the whole workforce to realise the new Curriculum, in line with the vision set out in *Successful Futures*, by 2021. The delivery mechanism for this work will be through the Pioneer Schools network, which will support the development of the professional learning offer for the workforce. A budget of £5.65m is allocated to this work, which sits within the Teacher Development and Support BEL. This includes funding of £2.25m allocated to consortia to develop a national Professional Learning Offer.
148. Funding for supporting the development of a workforce planning strategy is included in the Teaching Workforce budget of £0.3m for 2017-18, which sits within the Teacher Development and Support BEL. This will be integral within the data collection and workforce planning streams being undertaken by the workforce team.
149. In relation to leadership, I recently announced my intention to establish a leadership "academy", and while some broad principals in terms of the vision for this new organisation have been laid out, further work is underway on the development of the underpinning principles. I intend to make a further announcement later in the autumn in regard of this work. ADEW and the regional consortia are engaged in discussions and working collaboratively with officials in the Education Directorate on the initial thinking.
150. International research demonstrates that school leadership is second only to classroom teaching as an influence on pupil learning. We therefore need to build leadership capacity in Wales if we are to enable learners in Wales to reach their potential.
151. As initially outlined I hope to have a shadow "academy" set up during the autumn of this year, and would hope to have entrants into the system by the summer of next year. The Academy itself will not be the provider of services, it will broker, co-ordinate and quality assure a range of leadership programmes. This development will form part of the wider workforce and learning strategy.

152. The funding for the Academy is intended to be taken from the £100 million for school standards, although firm decisions on allocations are still to be confirmed.

### ***Curriculum for Wales***

153. Our aim is to build an education system in Wales that will develop high achieving, well rounded children and young people. We will achieve this through enhancing the existing curriculum and by developing a new curriculum that better meets the needs of all children and young people. We will further develop the workforce, at a national, regional, local school and classroom level, so it is capable of leading and delivering excellent teaching and learning.

*A curriculum for Wales - a curriculum for life* sets out the eight building blocks that will help this to be achieved. These are:

- Embedding the four purposes
- Creating a new curriculum
- Extending and promoting learners' experiences
- Developing our cross-curriculum responsibilities
- Enabling the Welsh language to thrive
- Developing a new assessment and evaluation framework
- Building the capacity of all practitioners and leaders
- Establishing a constructive and robust accountability system

154. Between now and 2018 there are a number of key actions required, which include:

- Design and develop the new curriculum and assessment arrangements with the Pioneer Schools Network and all-Wales Partnership;
- Secure a legislative slot to ensure the new curriculum and assessment arrangements can come into force (2018 available, by 2021 used to support learning and teaching);
- Support the wider reform of education;
- Develop the professional learning offer for schools to support them to be ready to use the new curriculum; and
- In partnership with consortia, work to develop schools as learning organisations.

155. There is a total budget provision of £11.05m in 2017-18 to support curriculum reform. This consists of £5.4m within the Curriculum Review and Schools Challenge Cymru BEL and £5.65m within the Teacher Development and Support BEL (for pioneer schools).

156. The focus for curriculum reform funding up to September 2021 will be on developing and realising the new curriculum and assessment arrangements and building the capacity of the profession to be able support learning and

teaching. Post-September 2021 the new arrangements will supersede those currently in place and, whilst there will be ongoing support for application and use of the curriculum and development of the profession, this will replace current curriculum and assessment arrangements. We therefore anticipate curriculum reform to be cost-neutral in the longer-term.

### ***Education Improvement Grant (EIG)***

157. As noted difficult decisions have had to be made around reprioritisation of funding within the Education MEG, given the challenging overall settlement to Wales. As a result there will be a reduction to the Education Improvement Grant for Schools in 2017-18 of £1m which equates to 0.75%.
158. The vast majority of the grant is passported to schools. It is important to recognise that the EIG already reflects a simpler, less bureaucratic and more outcome focused arrangement than the 11 individual funding streams previously, with the total cost of administering and managing the grant reduced to just 1% this year.
159. However, I believe there is still more we can do to further simplify the arrangements and further reduce the administrative costs of the grant. We are trialling an Education Performance Framework this year to increase the outcome focus of the grant. If this is successful and fully implemented next year, we should expect it to realise some additional savings over time. I have asked my officials to continue to work with consortia and local authorities to ensure any impact on schools as a consequence of this reduction is minimal if not altogether mitigated.
160. We have not undertaken a formal evaluation of the EIG, and I do not believe this would be cost effective. The EIG represents a more flexible approach to grant funding for local authorities, regional consortia and schools, which, within the national priorities we establish, allows them to best meet their priorities and needs, which vary between regions, local authorities and schools.
161. We must focus overall outcomes, the improved outcomes of our learners, and seek to understand how the grant funding contributes to achieving those improvements. We are then able to continue to improve the arrangements and support our schools, through our LAs and consortia, to support their learners to achieve their potential.
162. My officials continually engage with local authorities and regional consortia, through regular meetings, the ADEW network, attending consortia joint committee and advisory board meetings and of course the regional accountability and scrutiny arrangements include the review and challenge process which we have established to hold progress and outcomes to account more widely. I chair the autumn review and challenge sessions, which are currently underway, and I believe it is an effective way for us to engage in a two-way discussion process where the Welsh Government holds local government to account on progress against their regional school improvement

business plans, but also where each region can, and indeed do, raise issues that they may have with Welsh Government.

163. As you are aware, in recent years there has been a significant shift within education in working collaboratively with local authorities through the co-construction of the National Model for Regional Working to support them to deliver their school improvement functions more consistently and more effectively in partnership with each other on a regional basis.
164. The Wales Audit Office undertook a value for money review on “Achieving Improvement through Regional Education Consortia” and Estyn has more recently concluded its inspection of the four regional consortia. The reports have highlighted positive improvements in the delivery and impact of regional school improvement services through there is still work to be done.
165. There are a number of objectives of the previous individual grants which continue to be served under the EIG, such as the delivery of the foundation phase, improving literacy and numeracy and supporting schools to reduce the impact of deprivation on educational attainment. However, the context is also changing and being updated. The EIG must be sufficiently flexible to reflect our priorities as we move forwards.
166. I will be launching a refreshed strategic education improvement plan early next year which will focus on five improvement objectives: Wellbeing, Teaching and Learning (Pedagogy), Curriculum and Assessment, Leadership and A self-improving system. This will be based around the evidence provided by the OECD in 2014 and further developed when they report back to me on progress to date later this year.

### ***Qualified for Life***

167. Qualified for Life was published in October 2014 and set out a strategic vision and aim for education in Wales. Delivering the Commitments for Action it has begun to deliver real change for the benefit of all our learners. This progress gives us sound foundations to build upon for the future.
168. I will be launching a refresh of Qualified for Life early next year which will now focus on five improvement objectives: Wellbeing, Teaching and Learning (Pedagogy), Curriculum and Assessment, Leadership and A self-improving system. This will be based around the evidence provided by the OECD in 2014 and further developed when they report back to me on progress to date later this year.
169. The budget to support the education improvement plan crosses a number of Actions: Literacy and Numeracy, Curriculum, Teaching and Leadership, Qualifications, Post 16 Education, Education Standards, Pupil Deprivation Grant, ICT and Information Management Systems, Wellbeing of Children and Young People, Pupil Engagement, Welsh in Education and Delivery Support.

### **Qualifications**

170. Recommendation 5 of the Review of Qualifications recommended that the Welsh Government should establish a single body (Qualifications Wales) that is responsible for the regulation and quality assurance of all non-degree qualifications in Wales. Qualifications Wales was established in 2015 and is wholly funded by the Welsh Government.
171. Qualifications Wales is wholly funded by the Welsh Government; the bulk of funding is used to cover running costs. Qualifications Wales has confirmed that it can support a 4% reduction in 2017/18. To accommodate this, Qualifications Wales has investigated various ways to reduce expenditure whilst protecting Qualifications Wales' core capability and the majority of the grant support provided for Welsh medium assessment.
172. The Qualifications Wales Sponsorship Branch is part of the Curriculum Division within Education and Public Services. The Sponsor Branch was established to ensure that public money is being managed wisely for the people of Wales and to provide appropriate oversight and scrutiny of, and support and assistance to, Qualifications Wales. The Sponsorship Branch is key to managing the relationship between Qualifications Wales and the Welsh Government. In addition to the finance and governance role, maintaining an effective relationship is essential to ensuring effective policy engagement between policy officials in Welsh Government and QW, and ensuring the right balance of challenge and support.
173. Officials from the Sponsorship Branch attend, as an observer, all Qualifications Wales Board and Audit and Risk Committee meetings. The Branch also provides the secretariat for the Quarterly Monitoring Meetings between the Welsh Government and Qualifications Wales, these meetings are chaired by the Director for Education. In addition to ongoing monitoring of monthly grant claims, the Sponsorship Branch and the Head of Finance at Qualifications Wales meet quarterly to review spend against budget.
174. The Sponsorship Branch handles all government business and correspondence relating to the work of Qualifications Wales. The Sponsorship Branch have developed and agreed with Qualifications Wales a communications protocol. The Sponsorship Branch planned, co-ordinated and managed the Welsh Government's engagement with Qualifications Wales during the summer 2016 exam series. It is currently engaged in planning for the November 2016 exam series.

### **Regional consortia**

175. In recent years there has been a significant shift within education in working collaboratively with local authorities through the co-construction of the National Model for Regional Working to support them to deliver their school improvement functions more consistently and more effectively in partnership with each other on a regional basis. This is challenging work and the arrangements have taken some time to bed in and begin to fully realise their

potential. The National Model for Regional Working was co-constructed with our partners and acts as the ‘blueprint’ for our regional working.

176. The grant arrangements have followed and school improvement focused grants are routed through the regional consortia, with some regions seeing the total overall value of the grants they administer now substantially higher. Of course, an element of that is due to the PDG which we have significantly increased.
177. In 2016-17, the grants routed through consortia include the Education Improvement Grant (previously 11 individual grants, some of which were consortia and others LA administered), the Pupil Deprivation Grant, the new GCSE grant, Schools Challenge Cymru, the Modern Foreign Languages grant, the pioneer funding to support the development of the new curriculum, and several others. Overall, over £248million in grant funding is being routed through consortia in 2016-17.
178. Unlike inspections of education providers and local authorities, consortia inspections are not covered by legislation. However, in Estyn’s 2014-15 annual remit, the Welsh Government asked Estyn to scope the inspection criteria, evidence and methodology required to undertake inspection of the four regional education consortia. Inspections of consortia would include the impact of consortia on standards, the quality of service provision, and on the leadership and management of consortia. As a consequence, Estyn carried out a survey of the progress being made by regional education consortia to provide school improvement services for their constituent local authorities. The outcome of this remit work was published on 3 June 2015.
179. Along with a set of recommendations, the remit work resulted in the development of an inspection framework for consortia. Under Estyn’s remit work for 2015-2016 inspection of the four consortia in Wales has been undertaken, the published outcomes as follows:-

		<b>Central South</b>	<b>GwE</b>	<b>EAS</b>	<b>ERW</b>
2.1	Support for School Improvement	Adequate	Adequate	Good	Good
3.1	Leadership	Good	Adequate	Good	Good
3.2	Improving Quality	Good	Adequate	Good	Adequate
3.3	Partnerships	Good	Adequate	Good	Good
3.4	Resource Management	Adequate	Unsatisfactory	Good	Good

180. The Wales Audit Office undertook a value for money review on “Achieving Improvement through Regional Education Consortia” which was published in June 2015 and Estyn has more recently concluded its inspection of the four regional consortia. The inspection reports have highlighted positive improvements in the delivery and impact of regional school improvement services though there is still work to be done. For example, Estyn found that overall, the EAS is making good progress in establishing its approach to assess and report on value for money, although aspects are not yet refined enough. In

Central South, Estyn reported the consortium has started to assess its value for money, although it recognises that there is still further work to do to develop this process and demonstrate that the use of resources is having the best possible impact on outcomes. The consortium has used the results of its value for money reviews to reconfigure particular services such as Foundation Phase support. This has led to a reduction in costs in this area.

### ***Capital funding for school and college infrastructure***

#### **21<sup>st</sup> Century Schools**

181. The 21st Century Schools and Education Programme sees the largest strategic investment in our educational infrastructure since the 1960s. It is delivered over a number of waves, or bands of funding.
182. Band A of the Programme runs from 2014 – 2019. During this period, over £1.4bn will be invested that will see the rebuild and refurbishment of over 150 schools and colleges across Wales. All 22 local authority areas will benefit from this funding. To date, 114 projects have been approved for funding, which represents 76% of our Programme target. Of these, 44 are under construction and 49 have been completed.
183. The Band B Programme is currently under development and is anticipated to run from 2019 – 2024.
184. Draft Budget 2017-18 reflects a baseline budget for 21st Century Schools and Education Programme of £100.8m for 2017-18. This budget has been adjusted from 2018-19 to reflect the impact of inflation. In addition, funding of £20m per annum has been allocated from 2018-19 to enable the provision of infrastructure to support the Government's Childcare Offer.
185. *Taking Wales Forward* confirms our commitment to invest nearly £2bn in new and refurbished schools, community school and college buildings by 2024. This includes the remaining investment over Band A (£968m), the revenue investment commitment for Band B (£500m) and capital investment in years 1 and 2 of Band B (559m).

#### **General Capital Funding**

186. Funding within the General Capital Funding BEL (previously General Support BEL) provides a general capital allocation to local authorities via the General Capital Fund. From 2017-18 the full budget of £43m has been transferred to the Local Government MEG.
187. General Capital Funding (GCF) is allocated as unencumbered capital funding as part of the local government capital settlement. Although the GCF is unencumbered, historically there has been a notional split across the relevant portfolio MEGs for presentation purposes – for the Education MEG this totals £43m. The transfer of £43m to the Local Government MEG from 2017-18 onwards therefore reflects a presentational change only and will have no

impact on the amount of funding which is made available or how it is used by local authorities. The transfer of General Capital Funding to the Local Government MEG will help to provide greater transparency, provide consistency of presentation between revenue and capital settlements, and will reduce the current complex administration associated with the management of this funding.

### ***Welsh-medium education***

188. For 2017-18 a budget of £29.2m has been allocated within the Welsh in Education BEL to support the Welsh Governments Welsh-medium Education Strategy.
189. As the Welsh language is a cross cutting theme, in addition to this budget allocation, other departments support the development of Welsh within the education system. Although not easily quantified the total monetary support for the Welsh language in education is much higher.
190. The Welsh in Education Strategic Plans (WESPs) provide a basis for the planning of Welsh-medium education across Wales. Critically this also includes bilingual and Welsh language education. Local authorities use funding from a number of sources to implement their WESPs, including activities supported and delivered through the Education Improvement Grant (EIG). In the delivery of their EIG, the regional consortia are asked to ensure that the programme of activities funded reflect the priorities set out in the local authorities' WESPs.
191. The Welsh in Education BEL also supports the WESPs through programmes to support the informal use of the language and the development of the language skills of practitioners through the Sabbatical Scheme. The promotion and marketing activity through Cymraeg i Blant / Welsh for Kids also supports the implementation of the plans.
192. In preparation for the next full 3-year Plans covering the period 2017 to 2020, officials from the Welsh in Education Planning Branch met local authority representatives on a regional basis in June 2016 to discuss ways of improving and strengthening the planning of Welsh in education and the overall WESP process. As a result, revised guidance was issued to local authorities in August setting out how authorities should prepare the next full 3-year Plans covering 2017 – 2020. Ongoing dialogue continues between Welsh Government and local authorities. Local authorities are due to submit their WESPs to Welsh Government by 20 December 2016.

### ***Additional Learning Needs***

193. A Regulatory Impact Assessment (RIA) will be published as part of the Explanatory Memorandum to accompany the introduction of the Additional Learning Needs and Education Tribunal (Wales) Bill to the National Assembly before Christmas 2016. The RIA will set out the overall costs and benefits of the provisions within the Bill as well as the costs and benefits of the individual provisions.



194. Local authority education services, schools and further education institutions are the main bodies involved in the implementation of the Bill and, as such, the majority of the implementation costs will fall on them. We are committed to supporting local authorities and other key delivery partners to prepare for the changes ahead through implementation funding, in recognition of the need for them to prepare and change their systems and practices, undertake training and familiarise themselves with the new duties, powers, rights and responsibilities. We propose therefore to make grant funding available to these bodies to support transition. It is expected, during the four year period 2017-18 to 2020-21, Welsh Government grants in excess of £6m will be awarded to support implementation, to be funded from the Additional Learning Needs BEL.
195. However, once the new system is up and running, we expect that it will be deliverable within current budgets. The feasibility of this premise is borne out by the experience of some local authorities involved a programme of action research undertaken between 2007-2012. These authorities are operating on the basis of the approaches outlined within the Bill, and are doing so within current budgets. The experiences of these authorities have been used to inform the development of the RIA.
196. In 2014, the Welsh Government commissioned Deloitte to undertake an independent review to investigate and analyse the costs associated with supporting learners with SEN or LDD under the current legislative frameworks across Wales. The findings in the Deloitte report were used to inform the cost benefit analysis contained in the draft Regulatory Impact Assessment that was published as part of the draft Explanatory Memorandum which accompanied the consultation on the draft Bill in 2015. However the primary purpose of the Deloitte study was to establish current baseline expenditure on SEN to serve as a starting point for the modelling of future costs. Whilst the study has proven helpful, it has also highlighted very clearly the difficulties in identifying detailed and specific data in relation to SEN provision. As a result, the study has not directly influenced budgetary provision for 2017-18.
197. The RIA that will be published alongside the introduction of the Bill to the National Assembly before Christmas 2016 has been comprehensively rewritten and a different approach taken. We have used evidence directly from the local authorities already operating the many of the elements of the proposed new model – for example IDPs and person centred practice – within the current legislative framework and within existing budgets. Evidence from these authorities is being incorporated into the revised RIA.
198. A three year grant has been awarded to Cardiff University for the provision of the Doctorate in Educational Psychology programme (DEdPsy). This provides for the training of three annual cohorts (of up to 10 trainees) which commenced from the 2015/16 academic year. The grant is for the value of £2.245m over the 3 academic years and is funded from the Additional Learning Needs BEL. Two full cohorts have been recruited onto the DEdPsy programme and the process to identify a third and final cohort (to start in September 2017/18) will be commenced shortly by Cardiff University. Funding for the training of educational

psychologists in Wales beyond 2017/18 will be considered as part of the wider approach to improving the capacity of specialist services (below)

199. As part of our wider approach to reforming the system of SEN, we have been considering the capacity of the education workforce to support the needs of learners with SEN. We have recently concluded two studies to better understand the development requirements of the general education workforce; and assess the capacity of specialist support services in supporting learners with SEN. This has led to the development of a three-tier approach focused on core skills (for all teaching practitioners), advanced skills (for specific individuals in a school settings, such as the SEN coordinator) and specialist skills (for specific individuals across a school cluster, or within a specialist support service). This is a fundamental aspect of the ALN Transformation Programme.
200. All education settings should have access to individuals with specialist skills. This is considered to be the role of LA or NHS provided specialist SEN services. Welsh Government is currently engaging with the Welsh Local Government Association on the key workforce data requirements needed to develop an effective national workforce planning system for LA provided specialist services. A national system of this nature will inform the commissioning of training placements on specialist training courses on a sustainable basis.

### ***Further and higher education***

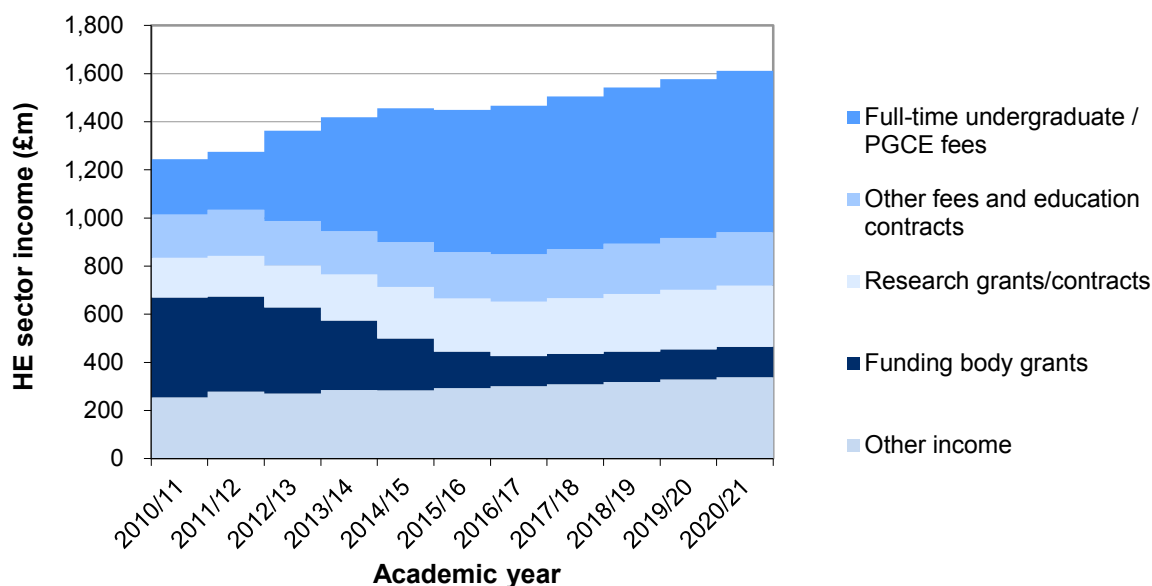
#### ***Further Education allocations 2017-18***

201. Details of the 2017-18 Further Education allocations are not yet available as we are still in the process of collecting the relevant data to inform that formula.
202. Due to the protection of this budget line no further reductions are expected to be imposed on part time learning in Wales. Following the significant reductions imposed to part time provision in 2014/15 and 2015/16 the levels of part time provision have understandably decreased. The reductions have been targeted to ensure that basic skills and ESOL provision have been protected.
203. Full statistics for the impact of these reductions in 2014/15 are available online at the following link:  
<https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning>
204. Data to evaluate the impact of the 2015/16 reductions are not yet available but will be released on the same website in 2017.

#### ***Budget provision for HEFCW to allocate to the higher education sector and an updated assessment of universities' income***

205. As illustrated by the chart below, the financial position of the HE sector in Wales has improved year-on-year in cash terms, despite policy changes and a challenging economic environment.

### Income to the Welsh HE sector in cash terms, by academic year



Source: Welsh Government, Higher Education Statistic Branch

206. Between 2010/11 and 2014/15, income from funding body grants has decreased by around £200m (from £416m to £215m), but full-time tuition fees has increased by around £327m (from £229m to £557m). Overall, income to the sector has increased by around £212m over the five year period, and is projected to continue to increase into the future under current funding arrangements.

#### Coleg Cymraeg Cenedlaethol

207. The Coleg Cymraeg Cenedlaethol and the development of Welsh-medium provision within the HE sector is key to ensuring that our young people, after leaving school, continue to use the language and maintain and develop their language skills to use in future employment.
208. Since the establishment of the Coleg in 2011 the Welsh Government has provided funding via HEFCW to support the work of the Coleg, including providing scholarships to encourage students to study through the medium of Welsh in higher education. For 2016-17 HEFCW has provided a budget allocation of £5.4m to maintain the activities of the Coleg.
209. The Coleg will be directly funded by the Welsh Ministers from 2017-18 onwards. This is reflected in the transfer of £5.4m funding from Higher Education Action to the Welsh in Education Action for 2017-18. This will provide greater opportunity to align the activities of the Coleg with other Welsh Government priorities and initiatives and ensure best value for money.

210. I announced, on 2 August, the establishment of a task and finish group to review the activities of the Coleg and make recommendations on the way forward. The review will inform future policy and budget decisions regarding the Coleg. The Review will also consider the relationship between the Coleg and the further education sector.

Hazelkorn review

211. The Welsh Government is currently considering the report submitted by Professor Hazelkorn and assessing the options for implementing reform of the Post Compulsory Education and Training. Until that assessment is complete I am unable to provide any information about the potential funding that may be required.

Costs in 2017-18 of continuing transition to the revised HE regulatory arrangements, as a result of the Higher Education (Wales) Act 2015

212. In many respects, the regulatory system established by the 2015 Act provides for continuity with the regulatory regime established under the Further and Higher Education Act 1992, the Higher Education Act 2004 and the Education Act 2005. Consequently some of the costs of implementing the new regulatory system would have been incurred under the previous arrangements.

213. The implications resulting from the new system of regulatory controls established by the 2015 Act were set out in the Regulatory Impact Assessment prepared for the Higher Education (Wales) Bill at its introduction to the Assembly in May 2014.

214. The estimated costs for 2017/18 are as follows:

	2017/18 £
Fee and access plan approval	331,000
Fee and access plan monitoring and evaluation	470,000
Quality assessment	434,000
Financial assurance	536,000
Subordinate legislation	0
Development, training, oversight	29,000
<b>TOTAL</b>	<b>1,800,000</b>

215. The incidence of those costs was estimated as follows:

	2017/18 £
Welsh Government	29,000
HEFCW	175,000
Institutions*	1,596,000
<b>TOTAL</b>	<b>1,800,000</b>

\* There are currently 10 institutions with fee plans and the analysis assumes 10 institutions.

## Student Support

216. The following table illustrates the budget and outturn for the Welsh Government Learning Grant BEL for 2015-16, including the spend on the Educational Maintenance Allowance, WGLG FE, WGLG HE and Tuition Fee Grant.

	Budget 15-16	Outturn 15-16
P/T Grants & Fees	£10,000,000	£9,203,014
SLC Targeted Grants	£17,000,000	£17,214,504
F/T Tuition Fees (cont. students)	£0	-£14,787
ALG HE	£132,140,000	£137,823,916
New Tuition Fee Grant Funding	£248,000,000	£243,579,365
Grant Repayments	-£800,000	-£1,639,036
Assembly Fee Grant	£0	£225,247
ALG FE	£8,500,000	£6,651,303
ALG EUI Grant	£8,000	£0
ALG EUI Fees/Board & Lodgings	£72,000	£0
EMA	£23,000,000	£21,939,615
<b>BEL TOTAL (ALG) - 4704</b>	<b>£437,920,000</b>	<b>£434,983,141</b>

217. The table below summarises the previous and projected cost of the Tuition Fee Grant, including an estimated split by location.

### Cost of the Welsh Government Tuition Fee Grant (TFG), by financial year

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Total cost of TFG	£48m	£132m	£194m	£244m	£262m	£265m	£258m
Estimated split by location							
<i>Welsh and EU in Wales</i>	£32m	£84m	£122m	£149m	£159m	£160m	£155m
<i>Welsh in rest of UK</i>	£15m	£45m	£72m	£91m	£99m	£100m	£98m

Source: Student Finance Statistics forecast model version ETES2\_v223\_9K

Figures are rounded to the nearest £1m; individual elements may not sum to the totals for this reason. Note that the forecast for 2018-19 may be subject to change, depending on the timing of implementation of the Welsh Government response to the Diamond Review

218. The above figures, particularly the cost of the Tuition Fee Grant for Welsh students studying elsewhere in the UK, should be considered in the context of the tuition fee income to Welsh institutions from student domiciled elsewhere in the UK. This is estimated in the table below.

**Estimated fee income to Welsh institutions from higher education students domiciled elsewhere in the UK, by financial year**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Fee income from students domiciled elsewhere in the UK (2012 cohort*)	£49m	£139m	£210m	£252m	£270m	£281m	£290m	£299m	£308m

\* Students entering higher education from academic year 2012/13 onwards, with the introduction of £9,000 fees and the tuition fee grant for Welsh domiciled students studying anywhere in the UK.

Figures are the product of historic or projected student numbers and average fees charged by Welsh institutions.

**Updated information on student flows between Wales and the rest of the UK**

**Cross-border flows**

219. The table below summarises higher education student flows between the UK nations. The figures confirm that Wales remains a net 'importer' of higher education students from the rest of the UK.

<b>Cross-border flows in UK higher education, 2014/15</b>				
Student domicile	Location of institution			
	Wales	England	Scotland	N Ireland
Wales	34,890	21,660	395	20
England	30,015	926,125	14,850	1,345
Scotland	185	4,470	97,375	55
N Ireland	440	8,920	3,590	29,335

Source: Higher Education Statistics Agency

Student numbers are rounded to the nearest 5.

The HESA standard registration population is a count of all enrolments within the reporting year 1 August to 31 July.

**Information on any transfers between BELs regarding administration or payment of the Tuition Fee Grant**

220. The Ministerial remit letter to HEFCW (dated 6 April 2016) confirmed that the transfer of the final tranche of the tuition fee grant monies for 2016-17 would be delayed until later in the financial year when more robust data on the likely level of expenditure is known. The amount ring fenced for this purpose was £21.1m.

221. I issued a revised remit letter to HEFCW on 17 October, making clear that the latest information from the Student Loans Company suggests expenditure on the TFG will be in excess of original estimates of £257.6m for 2016-17. We will therefore action the transfer of £21.1m from HEFCW to Welsh Government in the 2nd supplementary budget partly to cover the additional expenditure.

## Careers Wales

222. Careers Choices Dewis Gyrfa (CCDG)'s core income has fallen as follows:

- £36 million in 2012-13
- £30 million in 2013-14
- £26.8 million in 2014-15
- £20 million in 2015-16
- £18 million in 2016-17

223. In response to a falling core budget a range of policy teams across Welsh Government have provided funding from other sources to support specific services – most notably adult services. Funding for the Individual Skills Gateway and ReAct services are two such examples.

224. Today 'non core' funding accounts for 35% of CCDG income. While the core budget in 2016-17 is £18m, the total expected income from all sources is just over £27.5m (over £25m of which is Welsh Government funding).

225. In the current financial year an additional £1.7m funding has been provided to CCDG to support an Opportunity Awareness raising project which is helping address the gaps which exist in young people's awareness of apprenticeship pathways.

226. CCDG continues to realise efficiency savings as a result of the formation of a single national service in Wales.

227. The Board of Careers Wales are bringing forward a refreshed vision for delivery in September. This vision will set out the services and delivery models the company believe are required to support Welsh Government priorities. Services continue to evolve as new technologies and means of communication open up new ways of engaging with clients.

228. The company's annual report for 2015-16 has just been published and shows how new forms of service delivery, such as webchat, are growing in popularity as part of a blended service delivery model.

## Youth work

### Welsh Government grants to support youth work

229. The table below summarises the main grants to support youth work funded from the Youth Engagement and Employment BEL.

<b>Grant</b>	<b>Budget 2016-17 £000</b>
<b>The Youth Work Strategy Support Grant</b> - a four year grant from April 2014. Currently each local authority receives a base allocation of £0.025m then a composite share based on the	2,756

formula used to determine local authorities share of the Revenue Support Grant (RSG). There is a commitment to maintain this grant until 2018 within the Youth Work Strategy.	
<b>National Voluntary Youth Organisation Grant</b> - A 3 year grant from 2015-18. Organisations put in funding bids ranging from £65,000 to £137,262. The following organisations are currently in receipt of NVYO funding; Boys and Girls Clubs, Duke of Edinburgh's Award, Girlguiding, UNA Exchange, Urdd Gobaith Cymru, Youth Cymru and Scouts Wales.	654

Local authority allocations

230. Around £21m of funding was recommended through the Final Local Government Settlement 2016-17 for Youth Services. The youth services part of the RSG formula is distributed primarily on the proportion of the population aged 11-20, with an adjustment for authorities' relative levels of deprivation across Wales. The Revenue Support Grant (RSG) is an un-hypothecated funding stream and therefore it is a decision of local authorities as to how this funding is utilised in order to best meet their local needs and priorities, including their youth work provision.
231. When it comes to youth work relatively small investments can make a real difference. We must not allow immediate funding pressures to drive a strategic or operational wedge between the statutory and voluntary youth work sectors. Quite the opposite, we must look to create new synergies and look at what needs to change to enable providers to work together even more effectively.
232. This debate should not be side tracked by the closure of some local provision, but must remain focussed on ensuring youth work provision is in the right place, where it is truly needed. Where it is going to have the greatest impact on young people all across Wales.
233. I am aware there have been significant cuts to youth work provision across the statutory sector in Wales, and that this has also impacted on some voluntary youth organisations. Local authorities are best placed to make decisions about local provisions and needs. We know that income levels, expenditure levels and young people reached vary across authorities – however we know that targeted support is often more costly than open access provision.
234. We must not assume that more spend equates to better outcomes for young people. I encourage youth work organisations to think innovatively, to work in partnership and share best practice. There are local authority youth services from across Wales that have been creative and resilient to these cuts. Anecdotally I've been informed that these cuts have forced services to re-structure and become more efficient – in some cases this has led to improved outcomes for young people.



*Impact of Britain leaving EU on youth work funding*

235. Welsh Government participates in the UK Programme Board to ensure that the interests of Wales are fully considered. Discussions are ongoing with HM Treasury with a view to securing a 'full guarantee' of all of the funds to which Wales is entitled so we can deliver our programmes as planned.
236. While the UK Government guarantees help to provide some immediate and welcome reassurance to businesses, organisations and communities currently in receipt of EU funding, the guarantee does not provide us with the assurance of full programme funding and uncertainties remain over funds committed after the Autumn Statement (amounting to over £1 billion of Structural Funds).
237. We are seeking clarification from the Treasury that this offer also extends to other directly managed programmes Wales currently benefits from (e.g. ERASMUS+; Life+, Creative Europe etc).

***Responding to Estyn thematic reports***

238. The Welsh Government considers the recommendations provided by Estyn in their remit reports. Officials will assess the potential impact of the suggested actions and any financial implications attached to them and will determine whether it is appropriate, based on these assessments, to accept the recommendations. If there are financial implications, officials will identify appropriate budget expenditure to meet the costs.
239. The Estyn thematic report: *Raising the attainment, achievement and aspiration of children who are looked after* was published on 5 July. It contained five recommendations for schools, local authorities, regional consortia and the Welsh Government. The Welsh Government published its response to the Estyn report providing assurance around how we take the recommendations forward with our partners – local authorities, the regional consortia and schools. We expect these recommendations to be implemented and become part of normal working arrangements without incurring additional financial cost.
240. We welcome Estyn's report on good practice in education to support looked after children. We have set out our intentions in our published response to the report. Every single child in Wales, including those who are looked after, has the right to expect an excellent education.
241. In June 2016 Estyn published the thematic review 'Education Other Than at School'. The EOTAS Task and Finish Group is currently considering options for implementing the recommendations of this report. It is likely that many of the short and medium term actions will be absorbed by the work identified in the 2017-18 budget for taking forward the Group's phase 1 actions. Any additional work arising from the Task and Group is unlikely to take place before 2018 and will therefore need to be considered as part of the 2018-19 budget.

## **Summary**

242. The Education MEG Draft Budget for 2017-18 is presented to the Committee for consideration.

**Kirsty Williams AM**  
**Cabinet Secretary for Education**

EDUCATION MAIN EXPENDITURE GROUP (MEG)								
RESOURCE BUDGET - Departmental Expenditure Limit								£000s
SPA	Actions	BEL Number	BEL Title	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans
Education and Training Standards	Literacy and Numeracy	4462	Literacy and Numeracy	4,549	4,456	4,456	4,456	4,456
			<b>Action Total</b>	<b>4,549</b>	<b>4,456</b>	<b>4,456</b>	<b>4,456</b>	<b>4,456</b>
	Curriculum	5501	Foundation Phase	1,822	1,905	1,851	1,851	1,851
		5162	Curriculum & Assessment	22,561	10,664	10,299	10,299	8,450
		5167	Curriculum Review & SCC	0	19,570	20,400	20,400	5,400
		4761	14-19 Learning in Wales	-193	0	0	0	0
			<b>Action Total</b>	<b>24,190</b>	<b>32,139</b>	<b>32,550</b>	<b>32,550</b>	<b>15,701</b>
	Teaching and Leadership	4880	Teacher Development & Support	16,482	21,060	21,221	22,221	19,731
			<b>Action Total</b>	<b>16,482</b>	<b>21,060</b>	<b>21,221</b>	<b>22,221</b>	<b>19,731</b>
	Qualifications	5166	Qualifications Wales	6,763	8,090	8,169	8,169	8,142
			<b>Action Total</b>	<b>6,763</b>	<b>8,090</b>	<b>8,169</b>	<b>8,169</b>	<b>8,142</b>
	Post-16 Education	4763	Further Education	403,979	401,647	400,177	400,339	407,686
		4766	FE Policy and Apprenticeship Policy	1,045	1,066	1,066	1,066	0
			<b>Action Total</b>	<b>405,024</b>	<b>402,713</b>	<b>401,243</b>	<b>401,405</b>	<b>407,686</b>
	Educational and careers choice	4480	Careers Wales	21,400	18,000	18,000	18,000	18,000
			<b>Action Total</b>	<b>21,400</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>
	Higher Education	4620	HEFCW-Programme Expenditure	94,799	67,510	88,610	78,610	104,296
		4600	HEFCW-Running Cost	2,768	2,491	2,491	2,491	0
		4640	HEFCW-Receipts	-1,991	-2,798	-2,798	-2,798	0
		4660	HEFCW - Depreciation	82	82	82	82	90
		4681	For Our Future-Coleg Ffederal & UHOVI	30,498	30,498	30,498	30,498	0
			<b>Action Total</b>	<b>126,156</b>	<b>97,783</b>	<b>118,883</b>	<b>108,883</b>	<b>104,386</b>
	Education Standards	5120	School Governance	1,061	1,353	1,353	1,353	1,124
		5126	School Improvement Grant	142,594	134,782	134,782	134,782	134,282
		5512	School Standards Support	1,058	1,160	1,394	1,394	21,394
			<b>Action Total</b>	<b>144,713</b>	<b>137,295</b>	<b>137,529</b>	<b>137,529</b>	<b>156,800</b>
	Pupil Deprivation Grant	4764	Pupil Deprivation Grant	81,803	89,246	89,246	89,246	93,746
			<b>Action Total</b>	<b>81,803</b>	<b>89,246</b>	<b>89,246</b>	<b>89,246</b>	<b>93,746</b>
	ICT & Information Management Systems	5320	ICT & Information Management System	6,657	6,883	6,935	6,935	6,659
			<b>Action Total</b>	<b>6,657</b>	<b>6,883</b>	<b>6,935</b>	<b>6,935</b>	<b>6,659</b>
		<b>SPA Total</b>	<b>837,737</b>	<b>817,665</b>	<b>838,232</b>	<b>829,394</b>	<b>835,307</b>	

RESOURCE BUDGET - Departmental Expenditure Limit		£000s							
SPA	Actions	BEL Number	BEL Title	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans	
Improving Wellbeing, Reducing Inequality & Increasing Participation	Wellbeing of children and young people	5115	Additional Learning Needs	1,237	2,776	2,786	2,786	2,786	
		5219	Food & Nutrition in Schools	2,893	2,986	3,230	3,230	3,230	
		5271	Post 16 Inclusion & Support for Learning	11,746	13,186	11,481	11,481	12,481	
		5332	School Based Counselling	16	0	0	0	0	
		<b>Action Total</b>			<b>15,892</b>	<b>18,948</b>	<b>17,497</b>	<b>17,497</b>	<b>18,497</b>
	Post-16 learner support	4704	Welsh Government Learning Grant	434,983	454,343	432,483	432,483	467,327	
		4706	SLC/HMRC Administration Costs	12,390	15,895	8,244	8,338	9,343	
		4707	Student Loans RAB Charge (Non-Cash)	99,778	106,849	106,849	106,849	106,849	
		4709	Targeted Awards	7,522	6,297	6,297	6,297	6,297	
		<b>Action Total</b>			<b>554,673</b>	<b>583,384</b>	<b>553,873</b>	<b>553,967</b>	<b>589,816</b>
	Pupil Engagement	5224	Tackling Disaffection	249	658	658	658	600	
		5222	Minority Ethnic Achievement Grant	-386	0	0	0	0	
		<b>Action Total</b>			<b>-137</b>	<b>658</b>	<b>658</b>	<b>658</b>	<b>600</b>
	Youth Engagement & Employment	4760	Youth Engagement & Employment *	5,544	5,345	6,653	6,653	5,211	
		4751	Offender Learning *	3,070	3,328	0	3,328	3,328	
		<b>Action Total</b>			<b>8,614</b>	<b>8,673</b>	<b>6,653</b>	<b>9,981</b>	<b>8,539</b>
		<b>SPA Total</b>			<b>579,042</b>	<b>611,663</b>	<b>578,681</b>	<b>582,103</b>	<b>617,452</b>
Welsh Language	Welsh in Education	5164	Welsh Education Strategy	18,576	18,661	18,681	18,681	29,231	
			<b>Action Total</b>		<b>18,576</b>	<b>18,661</b>	<b>18,681</b>	<b>29,231</b>	
	Welsh Language	6020	Welsh Language	5,060	4,124	3,964	3,964	3,964	
		6021	Welsh Language Commissioner	3,560	3,000	3,000	3,000	3,000	
	<b>Action Total</b>			<b>8,620</b>	<b>7,124</b>	<b>6,964</b>	<b>6,964</b>	<b>6,964</b>	
	<b>SPA Total</b>			<b>27,196</b>	<b>25,785</b>	<b>25,645</b>	<b>25,645</b>	<b>36,195</b>	
Delivery Support	Delivery Support	4466	Strategic Communications	3,423	1,963	1,937	1,937	1,061	
		5480	Research, International & Education Services	1,508	950	950	950	884	
		<b>Action Total</b>			<b>4,931</b>	<b>2,913</b>	<b>2,887</b>	<b>2,887</b>	<b>1,945</b>
	<b>SPA Total</b>			<b>4,931</b>	<b>2,913</b>	<b>2,887</b>	<b>2,887</b>	<b>1,945</b>	
	<b>Total Resource - Education</b>			<b>1,448,906</b>	<b>1,458,026</b>	<b>1,445,445</b>	<b>1,440,029</b>	<b>1,490,899</b>	

\* Funding transferred out in First Supplementary Budget 2016-17 - outturn for 2015-16 adjusted to enable comparison with 2017-18 figures

CAPITAL BUDGET - Departmental Expenditure Limit									£000s
SPA	Actions	BEL Number	BEL Title	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans	
Education and Training Standards	Estate & IT Provision	5020	General Capital Funding (LA)	43,021	43,021	43,021	0	0	
		4765	Strategic Investment	160,958	132,474	132,747	100,813	100,813	
		<b>Action Total</b>		<b>203,979</b>	<b>175,495</b>	<b>175,768</b>	<b>100,813</b>	<b>100,813</b>	
			<b>SPA Total</b>	<b>203,979</b>	<b>175,495</b>	<b>175,768</b>	<b>100,813</b>	<b>100,813</b>	
	<b>Total Capital - Education</b>			<b>203,979</b>	<b>175,495</b>	<b>175,768</b>	<b>100,813</b>	<b>100,813</b>	

RESOURCE BUDGET - Annually Managed Expenditure								
SPA	Actions	BEL Number	BEL Title	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans
Education and Training Standards	Educational and careers choice - Resource	4483	Careers Wales AME	-6,449	6,000	6,000	6,000	6,000
			<b>Action Total</b>	<b>-6,449</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
			<b>SPA Total</b>	<b>-6,449</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
Improving Wellbeing, Reducing Inequality & Increasing Participation	Post-16 learner support - Resource	4713	Student Loans AME	-357,604	-77,147	-77,147	-77,147	-96,054
			<b>Action Total</b>	<b>-357,604</b>	<b>-77,147</b>	<b>-77,147</b>	<b>-77,147</b>	<b>-96,054</b>
			<b>SPA Total</b>	<b>-357,604</b>	<b>-77,147</b>	<b>-77,147</b>	<b>-77,147</b>	<b>-96,054</b>
	<b>Total Resource AME - Education</b>			<b>-364,053</b>	<b>-71,147</b>	<b>-71,147</b>	<b>-71,147</b>	<b>-90,054</b>

CAPITAL BUDGET - Annually Managed Expenditure								
SPA	Actions	BEL Number	BEL Title	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans
Improving Wellbeing, Reducing Inequality & Increasing Participation	Post-16 learner support - Capital	4713	Student Loans AME	382,462	414,050	414,050	414,050	491,871
			<b>Action Total</b>	<b>382,462</b>	<b>414,050</b>	<b>414,050</b>	<b>414,050</b>	<b>491,871</b>
			<b>SPA Total</b>	<b>382,462</b>	<b>414,050</b>	<b>414,050</b>	<b>414,050</b>	<b>491,871</b>
	<b>Total Capital - Education</b>			<b>382,462</b>	<b>414,050</b>	<b>414,050</b>	<b>414,050</b>	<b>491,871</b>

£000s					
Education - Summary	2015-16 Outturn	2016-17 Forecast (period 5)	2016-17 1st Supplementary Budget	2017-18 Revised Baseline	2017-18 Draft Budget New Plans
Resource DEL	1,448,906	1,458,026	1,445,445	1,440,029	1,490,899
Capital DEL	203,979	175,495	175,768	100,813	100,813
<b>Total DEL</b>	<b>1,652,885</b>	<b>1,633,521</b>	<b>1,621,213</b>	<b>1,540,842</b>	<b>1,591,712</b>
Resource AME	-364,053	-71,147	-71,147	-71,147	-90,054
Capital AME	382,462	414,050	414,050	414,050	491,871
<b>Total AME</b>	<b>18,409</b>	<b>342,903</b>	<b>342,903</b>	<b>342,903</b>	<b>401,817</b>
<b>Total Education</b>	<b>1,671,294</b>	<b>1,976,424</b>	<b>1,964,116</b>	<b>1,883,745</b>	<b>1,993,529</b>

# Agenda Item 3.1

**Cynulliad Cenedlaethol Cymru | National Assembly for Wales**

**Pwyllgor Plant, Pobl Ifanc ac Addysg | Children, Young People and Education  
Committee**

**CYPE(5)-10-16 – Papur | Paper 2 – papur i'w nodi | paper to note**

**Ymateb gan : Cymdeithas Llywodraeth Leol Cymru**

**Response from : Welsh Local Government Association**

## Youth Service mapping of vol sector organisations within local authority area

### Ynys Mon

We have an SLA with the Urdd and YFC so they report annually on clubs, membership, programmes etc. I also attend their management meetings and some of their events so know what is going on with them. Scouts and guides report annually as part of the grant they receive, and they use our centres for some provision. We work with the Management Committee of the Community Centre in one other village where they have secured additional funding for an additional worker in the youth club, and we co-manage that. We also liaise on a regular basis with Community First as to their provision (as they attend the 16+ Engagement Panel) and we have staff who work for both Communities First and us on different provisions.

Other than that we don't have a formal mapping exercise, but more of a 'keeping in touch' relationship.

### Merthyr

We map the provision on offer through partnership arrangements with Communities First to ensure local intelligence on new groups because as you know anyone can establish a provision. This information is collated onto internal data systems. Alongside this any grants administered through the authority share information with this system. In a final analysis our data mapping is cross referenced to that of the local voluntary sector support agency.

## **Caerphilly**

Caerphilly incorporates support arrangements for Youth Support Services within a broader network of support for services 0–25 (as per the current Families First ethos). The current ‘mapping’ is simply an acknowledgement, either informally via voluntary participation in support arrangements, or formally via submission of a self-assessment, of any agency’s participation in any of our support network arrangements.

More detailed and deliberate mapping that might, for example, result in the Authority attempting to plug any gaps in provision, has not taken place since the demise of our CYPP.

## **Blaenau Gwent**

We have completed an audit of provision, including vol sector youth work provision, every year for last 5 years. For the past 3, this has been as part of our annual mapping process for the YEPF and then uploaded onto our online directory of support for young people and also added to our young people's website.

This year, welsh gov commissioned Cordis Bright to complete a map of voluntary sector provision and we have used that report to add/check/compare against our own.

The type of info we collect is name, purpose, age remit, cost if any, contact info. We do not currently ask for info like policies and procedures etc – we do not quality assure. We only do that when we work directly with any organisation or if they are part of the ISP. However, we do remove projects/organisations if any serious safeguarding issues are flagged up with us, and follow up appropriately.

## **Carmarthenshire**

I am not aware of previous mapping. However, I will ask my youth work managers who may be able to assist.

## **Torfaen**

Torfaen has a family Information Service that carries out mapping on services including Youth Support Services. We also have a Youth Support

Services Network that meets up to 4 times a year and is designed to provide organisations with the opportunity to showcase their services, improve referral routes and facilitate networking.

## RCT

We are currently in discussions with DEWIs with regards to setting up a standalone platform that links directly to the main DEWIs website.

This will enable us to pull off service mapping reports use the data entered on the national database, with the ability to arrange them either geographically or themed (10 entitlements).

In the interim we are developing a YSS Service Mapping document to complement the existing arrangements linked to the YSS plan and needs assessment.

There are also a number of other service mapping documents that have been produced locally at specific areas including:

- Supporting Engagement, Employment and Training directory;
- Supporting Service children in Education directory, and;
- An exercise undertaken by Cordis Bright mapping voluntary providers supporting the delivery of the YEPF.

All these will contain information with regards to voluntary sector youth provision and be will used to inform the wider YSS mapping exercise and the standalone platform.

## Ceredigion

Recently, Ceredigion Youth Service has contributed to a comprehensive mapping exercise of all clubs, activities and projects available in Ceredigion for children, young people and adults. The Family Information Service has led this initiative to improve services for Ceredigion Residents by providing them with easier access to what's going on in their community via their website, newsletters etc. This has been quite a challenging process. The Youth Engagement team have also undertaken similar mapping work in Ceredigion.



As a service we support numerous voluntary organisations via designated SLA's which provide them with access to financial support, training and advice/ guidance relating to youth work issues. Furthermore, our countywide activity programme utilises our universal approach and a wide variety of voluntary organisations have information and opportunities to engage and refer young people via various methods. We also promote as much community engagement as possible via community profiling, surveys (online & paper), self-assessments, focus groups and so forth to identify gaps in provision and avenues of support we can provide to community groups where appropriate.

We also hold regular 'youth services' multi-agency meetings'. Various services (voluntary and statutory), who work directly with young people attend this meeting. This is an opportunity for everyone to share 'good practice' and to work in collaboration. These meetings are usually held a term in advance in order for the services to share information about forthcoming events, to identify ways of working together, to avoid duplication and to work across services where possible.

### **Cardiff**

Youth Services mapped through our Family Information Service – registered into Sprout and now Dewis. Annual process, augmented with information that the Service information officer gathers on organisations providing support services for young people. Fairly robust although as always could be improved.

### **Gwynedd**

NFER did a mapping exercise in Gwynedd 2 ago. Our EPC has also undertaken mapping work in Gwynedd.

As a service we support the Urdd, Young Farmers, Scouts and Guides through SLA's which provide them with financial support, training and advice/ guidance relating to youth work issues. We also support smaller groups from time to time financially and will provide training and advice on youth work issues.

### **Newport**

Sorry for the delay in replying, Newport during the last 2 years have carried out an annual mapping of voluntary sector organisations within the city as well as conducting a bi-annual questionnaire with young people in all schools around provision and their needs.

There are also multi-agency meetings that focus on particular target groups such as NEETs, which also include the voluntary sector.

### **Wrexham**

The Info Shop holds the majority of information as it then informs the 'TRAC' section of the Young Wrexham website. We have recently been working with the local CVC to update the database but unfortunately this has been difficult due to their lack of capacity. We are linked in with DEWIS discussions. The other mapping we have done which is more extensive is as part of the Engagement and Progression Framework, but this obviously serves a different purpose. We recently held workshops with the potential providers of YSS and this actually was useful in updating our knowledge about who is out there. I think we are really missing a lot of information and we are due to recruit a Youth Development Officer and their first task is probably going to consist of carrying out a mapping exercise. We are also intending to set up a YSS forum as the one previously hosted by the CVC has not met for a couple of years and we have noticed the impact of that.

### **Neath Port Talbot**

In NPT we have a Youth Support Services Liaison Officer who maps provision (over 150 providers on this list), we use this information to email out any relevant information, employment opportunities, any available funding etc. We also work with the Family Information Service on their website which maps wider provision, we are looking to develop this further.

We also have multi agency meetings that mainly focus on target groups such as NEETs etc. these meetings include various voluntary sector organisations.

## **Children, Young People and Education Committee**

**Date: November 2016**

**Title: Scrutiny of Draft Budget**

### **Purpose**

To provide an evidence paper in respect of children's health and social services within the Health, Well-being and Sport Main Expenditure Group (MEG) which falls within the remit of the Children, Young People and Education Committee (CYP&E).

*NB: (At this stage the committee does not plan to undertake a specific oral evidence session)*

### **Introduction**

The Draft Budget was published on the 18 October 2016. This paper provides information for the Children, Young People and Education Committee (CYP&E) on the future budget proposals for 2017-18 in the Health, Wellbeing and Sport MEG.

Children's and young person's expenditure occurs across a range of budgets, and local authorities receive funding in their revenue settlement to deliver on their children and family services. Following the changes in Ministerial portfolios and associated transfer of budgets supporting activities for children to the Communities and Children MEG, there are no hypothecated budgets for children's services within the Health, Well-being and Sport MEG.

NHS service provision in relation to children, children's medical conditions and general health of children is funded primarily through the annual revenue allocations to health boards. Given the universal nature of health services, planned spending is not routinely identified by age category. However, a significant proportion of NHS spend will be funding services provided to children.

### **Areas of interest as Detailed in the Letter from the Committee Chair**

#### **Neonatal services**

*The budget allocated to meet the neonatal national standards; the Government's priorities for neonatal services for the next 12 months and in the longer term; and how the budget allocation for 2017-18 will help to drive change / deliver performance improvement;*

*A budgetary breakdown of the revenue allocation for neonatal services for 2017-18, including expenditure by Welsh Health Specialised Services Committee (WHSSC);*

*Levels of expenditure on neonatal services in Wales each year, since 2008, by LHB, including WHSSC spending (following increased investment from the*

*Welsh Government for neonatal services in 2008, helping to establish a clinical network, improve staffing levels and transport provision);*

*Specific information about the budget allocation and expenditure for neonatal transport services, including confirmation that sufficient funding has been provided in the budget allocations for 2017-18 to provide a full time service in South and North Wales and for a dedicated ambulance service in West Wales.*

*Comprehensive detail of costs, expenditure, staffing and vacancy levels within Welsh Neonatal services.*

*Information on how expenditure on neonatal services is tracked by the Welsh Government and the processes in place to hold LHBs to account for ensuring that neonatal services have the funding and staffing they need to meet national standards.*

## **Neonatal services**

The Government expects health boards to deliver safe and sustainable neonatal services, supported by the Welsh Health Specialised Services Committee (WHSSC) and the Neonatal Network, with an expectation that every neonatal unit be appropriately staffed to meet population need within the next five years. All health boards have made progress against the all Wales neonatal standards since 2008. They report on their compliance against the Standards twice a year to the Neonatal Network which uses this information to support the health boards to continue to make improvements to their services.

### **Staffing Establishment**

As at March 2016 only 4 out of the 11 neonatal units have establishments that meet the All Wales Standards. This is an improvement from 2/11 reported as at September 2015. Staff to meet the All Wales Standards is based on the Direct care nurse establishments (see table)

Based on the declared cot numbers (shown in section 3) as at March 2016, Table 1 demonstrates that:

- 479.39 wte direct care nurses are needed across the Network to meet the standards
- 459.71 wte direct care nurses are available on establishments across Wales

This represents a shortfall of 19.68 wte nurses, although the actual shortfall is based on direct care staff `in post` which is 431 wte, so this brings the shortfall of nurses to meet the standards to 48.39 wte, an improvement from 78.07 wte reported as at September 2015.

## Direct Care Establishment to meet the Standards as at March 2016

Units	Establishment to meet All Wales Standards	Direct Care Establishment	Shortfall in Establishment	Direct care staff in post	Shortfall in post v establishment	% compliance Establishment	% compliance Staff in post
Glangwili	28.45	39.90	-11.45	33.80	-5.35	140.25	118.80
Princess of Wales	27.03	23.41	3.62	23.39	3.64	86.61	86.53
Singleton	78.24	68.55	9.69	64.83	13.41	87.62	82.86
<b>SOUTH WEST</b>	<b>133.72</b>	<b>131.86</b>	<b>1.86</b>	<b>122.02</b>	<b>11.70</b>	<b>98.61</b>	<b>91.25</b>
Prince Charles	22.76	20.44	2.32	20.34	2.42	89.81	89.37
Royal Glamorgan	28.45	29.19	-0.74	24.94	3.51	102.60	87.66
University Hosp of Wales	82.51	89.46	-6.95	90.12	-7.61	108.42	109.22
<b>SOUTH CENTRAL</b>	<b>133.72</b>	<b>139.09</b>	<b>-5.37</b>	<b>135.40</b>	<b>-1.68</b>	<b>104.02</b>	<b>101.26</b>
Aneurin Bevan	96.73	97.20	-0.47	92.78	3.95	100.49	95.92
<b>SOUTH EAST</b>	<b>96.73</b>	<b>97.20</b>	<b>-0.47</b>	<b>92.78</b>	<b>3.95</b>	<b>100.49</b>	<b>95.92</b>
<b>SOUTH NETWORK</b>	<b>364.17</b>	<b>368.15</b>	<b>-3.98</b>	<b>350.20</b>	<b>13.97</b>	<b>101.09</b>	<b>96.16</b>
Ysbyty Gwynedd	24.18	21.52	2.66	14.70	9.48	89.00	60.79
Ysbyty Glan Clwyd	45.52	38.52	7.00	34.58	10.94	84.62	75.97
Wrexham Maelor	45.52	31.52	14.00	31.52	14.00	69.24	69.24
<b>NORTH NETWORK</b>	<b>115.22</b>	<b>91.56</b>	<b>23.66</b>	<b>80.8</b>	<b>34.42</b>	<b>79.47</b>	<b>70.13</b>
<b>WALES NETWORK</b>	<b>479.39</b>	<b>459.71</b>	<b>19.68</b>	<b>431.00</b>	<b>48.39</b>	<b>180.56</b>	<b>89.91</b>

In the Neonatal Capacity Review as at March 2016, the establishment to meet the All Wales Standards in Table 1 column 1; an uplift of 27% has been applied which equates to 5.69 wte to accommodate expected leave (annual, sickness, maternity, mandatory training and CPD).

Health board neonatal services are funded through the annual discretionary revenue allocation and health boards will set out their local priorities with regards to neonatal services in their Integrated Medium Term Plans (IMTP), which will also detail their neonatal budget allocation to WHSSC for 2017-18. Health boards are unable to disaggregate their neonatal spend for the years since 2008, but budget allocation for WHSSC is available from 2010-11 onwards.

WHSSC manages the majority of the health boards' budget for commissioning Neonatal Intensive Care (Level 4) and Neonatal High Dependency (Level 3) services. Despite public services austerity, this budget has increased from £11.5 million in 2010-11 to £13.4 million in 2016-17. To support further improvement to services, WHSSC is currently working with the health boards on a transfer of Special Care Baby Unit budget into WHSSC from 2017-18 to enable neonatal system funding flows to follow the activity through the system.

In addition to the 24 hour, 7 days a week, neonatal transport service operating across North Wales, WHSSC are considering options for developing similar levels of service across South Wales.

*Any further information on the business plan for a new £18m Glan Clwyd neonatal unit and the upgrading of the neonatal service at the Royal Gwent Hospital, and associated costs.*

I have approved the full business case (FBC) for the development of a Sub-Regional Neonatal Intensive Care Centre (SuRNICC) at Glan Clwyd Hospital as part of the development of the overall service model for neonatal care in North Wales. In approving the FBC, I have agreed to allocate capital funding of £17.919 million which will provide an additional six cots, an obstetric theatre and additional inpatient beds. Construction will start in November this year and the new facility is planned to open by March 2018. It is intended to have an immediate impact once opened, with the Health Board noting that in its first year of operation it should reduce the number of unplanned transfers out of North Wales by 50%.

I have also approved capital funding of £2.120 million in 2016-17 for the reconfiguration of the current neonatal unit at the Royal Gwent Hospital, Newport with investment primarily targeted at increasing space between cots to provide an improved environment to manage risks around infection control, to better facilitate clinical interventions and to provide a more appropriate environment for parents. It is anticipated that this development will complete by the end of this financial year.

### **Child Health inequalities**

*In the context of preparing for an aging population and severe pressure on health and social care services, how is the Welsh Government planning to tackle child health inequalities and how this is reflected in the budget allocations for 2017-18?*

Wales is not unique in having a social gradient in health: health gets progressively better as the socioeconomic position of people and communities improve. Conversely, we know children growing up and living in low income households are much more at risk of having poorer physical and mental health outcomes. This calls for both targeted and universal actions across the gradient. We know that to create a more equal society we need to provide universal access to high quality primary care, quality services in the early years, an inclusive education and learning system, good quality employment and working conditions, as well as healthy environments for all.

The Well-being of Future Generations Act also places a more equal Wales as a goal of all public services and action to tackling inequalities is a feature of a range of Government commitments, including employment programmes, quality housing, and access to childcare.

In programmes specific to health and care, a focus on tackling inequalities needs to be inherent in a range of policies, to ensure care is provided in a way that is proportionate to need. To take the example of immunisation programmes, Government looks to Public Health Wales and Health Boards to ensure a strong focus on tackling inequalities in uptake in those programmes.

The spend on tackling inequalities specifically is not however separate from the broader programme spend.

There are some examples of activity that we anticipate having a particular focus on reducing inequalities. For example, we want 'to give every child the best start in life' through our new Healthy Child Wales Programme (HCWP) which sets out a prudent, systematic, evidence based approach to child health surveillance and screening. At its core is reduction of inequity by ensuring the delivery of a universal service to all children in Wales, with additional support provided in response to identified needs. Our Health Boards are required to demonstrate that appropriate action is being taken to address health inequalities through their Integrated Medium Term Plans. We expect to see particular progress through the ongoing development of primary care clusters, design and support to provide more person-centred services, and through implementation of the Healthy Child Wales Programme.

## **CAMHS**

### *Information on funding for specialist Child and Adolescent Mental Health Services (CAMHS) for 2017-18*

CAMHS funding sits within the overall mental health ring-fence allocation to health boards of £600m. It is for health boards to ensure expenditure is in line with the needs of their population requiring CAMHS services. We would expect to see funding increase in line with the almost £8m we have invested in CAMHS since 2015-16.

### *What assessment has been made of financial implications of delivering the Together for Children and Young People Programme (T4CYP) for 2017-18*

We would expect the financial implications to be cost neutral or even generate efficiencies which can be reinvested back into CAMHS, as the Programme is about ensuring the existing system works better for young people. For example reducing inappropriate referrals will bring efficiencies. Not only are these referrals not in the interests of the young person, but they take up valuable clinical assessment time. Time which should be spent working with those young people with the greatest need of a specialist mental health service

### *What assessment has been made on the percentage of LHB mental health spending allocated for CAMHS in 2015-16 and 2016-17*

Expenditure needs to match need and what we have seen since September 2015, as a result of our new investment, is that CAMHS waiting lists are reducing. Reversing for the first time the year on year increases previously seen. Unrealistic comparisons have previously been made between funding for CAMHS and adult or older people's services. The nature of mental illness within adults and older people means they often have more enduring conditions, which require expensive hospitalisation more regularly and for

longer periods. Our priority in CAMHS has been that hospitalisation should always be the last resort, which is why, since 2015, all health boards have invested in CAMHS community treatment teams. This means many more young people are treated in the community without requiring admittance and facilitating a reduction in costly out of area placements

*Whether the additional £7.6 million allocated to CAMHS, announced in May 2015, will continue to be allocated on an ongoing annual basis*

This is recurrent funding and has further increased with our announcement earlier this year of an additional £318,000 recurrently to fund support workers to work with those young people experiencing the most severe mental ill-health.

*An update on the actual expenditure for the initial rounds of this funding, both the out-turns for the financial year 2015-16 and the predicted spend for 2016-17, which was intended to fund:*

- £2m to develop neuro-developmental services, including those for ADHD and autistic spectrum disorders;
- £2.7m to improve out-of-hours and crisis CAMHS response;
- £1.1m to expand access to psychological therapies, including increasing talking therapies as an alternative to medication;
- £800,000 to improve local primary mental health support services;
- £250,000 to expand provision for children and young people in the criminal justice system; and
- £800,000 to address the needs of young people who have an early onset of a severe illness, such as a psychosis.

Recruiting specialist staff takes time, particularly given the scale of recruitment, not just in CAMHS but across all mental health, as a result of the over £22m additional funding we announced. This could potentially have depleted and destabilised existing services, as practitioners and clinicians sought new challenges and, or promotion in the new services created by the investment. As a result health boards have had to carefully manage the recruitment process.

In late 2015 and early 2016 we sought progress updates from health boards which included anticipated spend to March 2016. This comprised the cost of staff recruited, funding for existing staff to run additional clinics to speed access and address waiting lists, and training both new and existing staff. A similar approach has been taken this year and health boards have been asked to report their anticipated outturn expenditure to March 2017. The results are in the table below:



<b>Health Board</b>	<b>2015-16 £m</b>	<b>Anticipated 2016-17 £m</b>
Aneurin Bevan	0.097	0.726
Betsi Cadwaladr	0.589	1.645
Cwm Taf	0.394	0.734
Abertawe Bro Morgannwg	0.323	0.948
Cardiff and Vale	0.300	1.176
Hywel Dda	0.208	0.844
Powys	0.088	0.296
<b>Total</b>	<b>1.999</b>	<b>6.369</b>

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### Health, Wellbeing and Sport Integrated Impact Assessment on the Budget 2017-18

#### OVERVIEW OF THE PORTFOLIO

The portfolio develops and delivers policies that provide a sustainable health and social service for Wales and provides the foundation for other interventions aimed at creating a healthy and active Welsh population.

Our aim is to help people take care of their own health and wellbeing through the co-production approach – people making informed and shared decisions about their health with their healthcare professionals. We are transforming the NHS so more care is provided in local communities, closer to people's homes rather than in hospital. This requires a sustained shift, through collaboration in financial and workforce resources, to deliver more healthcare in communities – we are continuing to improve access to GP surgeries and investing in the primary care workforce. We will also work with schools to promote physical activity and awareness of healthy lifestyle choices.

Our decision to allocate additional funding of £265 million for health in 2017-18 recognises that providing a sufficient and sustainable settlement is a vital consideration not just for society as a whole, but also recognises the disproportionately positive impacts on protected groups

#### Spend Profile

Fiscal Resource DEL Limit				
SPA	Supplementary Budget 2016-17	Baseline Changes	2017-18 Changes	2017-18 New Plans Draft Budget
	£m	£m	£m	£m
NHS Delivery	6263.080	14.619	285.789	6563.488
Health Central Budgets	230.691		(14.921)	215.770
Public Health & Prevention	159.260		3.044	162.304
Social Services	67.335		(3.622)	63.713
Sports & Physical Activity	22.605	(0.261)		22.344
<b>Totals</b>	<b>6742.971</b>	<b>14.358</b>	<b>270.290</b>	<b>7027.619</b>

#### Key Changes to Spend

- Additional funding for NHS of £240m;
- An additional £1 million for End of life Care
- Investing £1 million in gender identity and eating disorders programmes
- An additional £7 million to support recruitment and retention of healthcare professionals, including attracting more GPs and training more nurses and other health professionals.
- We are continuing to spend £50 million on the Intermediate Care Fund to keep people out of hospital

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- Social Services – targeted an additional £25m in the Revenue Support Grant for social services;
- Public Health – we are protecting investment in programmes to improve public health; and
- New Treatment Fund – an additional £16m a year over the life of this Government, to facilitate access to innovative medicines.

### **Health - Impacts**

Spending on the NHS is important but providing high quality care when people are sick is only part of the solution to good health. We also have a collective responsibility to prevent poor health arising where possible. A renewed focus on prevention is particularly important when we consider the need to safeguard the future health of children and young people

We must meet the health needs of our ageing population, while also responding to the growing demand for healthcare and the persistent gap between the health of the richest and poorest communities in Wales. Our decision to provide an additional £240m for the NHS in Wales will ensure the sustainability of the service and help to transform the provision of care.

For the additional NHS funding of £240m within the Delivery of Core NHS Services, each Health Board will be required to consider the impact of their spending decisions when their main allocations are set out as part of the Health Board Revenue Allocations that are issued in December. Each Health Board now has to produce a three year integrated plan and as part of the planning requirements within the NHS Wales Planning Framework they are required to demonstrate how their integrated plan is reflecting the responsibilities of the Equality Act 2010. Health Boards are therefore required to demonstrate how they are considering all of the protected characteristics as part of their duty under the Act and also ensure the rights of children are considered.

### **Evidence and Engagement**

Additional investment in the NHS will enable continuation to meet the ongoing growth in demand and costs of services that have been described in the Nuffield Trust and Health Foundation reports. The increase in funding to the NHS is based on evidence from the latest Health Foundation model to reflect the latest assumptions on spending pressures and efficiencies in the NHS. The NHS in Wales has already had significant success in these areas, through measures such as improvements in efficiency and productivity, reductions in the length of stay in hospitals and reductions in hospital admissions

### **Public Health**

With an ageing population it is vital we work with people to help protect their health as they get older. By protecting our investment in public health we are committed to providing greater control over health and well-being and faster access to advice and services for those who need it most.

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The Public Health Wales NHS Trust (PHW NHST) grant budget is £88.7 million, and funds core NHS public health services, such as screening and health protection. As an NHS organisation, PHW NHST will face ongoing inflationary cost increases, and some demand and service pressures. Therefore, it is proposed at this point to maintain the current PHW NHST budget at current levels in cash terms, which will require the organisation to find annual efficiencies to offset cash growth.

Budgets for health promotion, health protection and prevention have remained the same in 2017-18. Programmes such as immunisation and screening are protected and the impact of these programmes include around 140,000 children in Wales having primary immunisations and boosters every year; over 99,000 children and more than 420,000 people aged 65 or over having flu vaccinations and providing more than 111,000 patients with Diabetic Retinopathy Screening services. With these services the aim is proportionate universalism, helping everyone in the community, but targeting support in accordance with need. So for example, more effort is currently being put into making sure that groups who are not taking up health screening opportunities are helped to do so.

Over half of adults and a quarter of 4-5 year olds are overweight or obese, and we continue to invest a range of policies and programmes to tackle obesity. The cost of overweight and obesity to the NHS in Wales runs into hundreds of millions every year, with type 2 diabetes, for which obesity is the major risk factor, taking 10% of the total NHS budget. Those with a BMI greater than 40 are now also offered the seasonal flu vaccine.

The increase in funding to **Public Health Wales (PHW)** mainly represents a transfer of budget and commitments into the core funding allocation for PHW. The core funding enables Public Health Wales to deliver its functions as set out in legislation, including services that cover health improvement and protection, public health intelligence and research, and national population screening programmes for the people of Wales. PHW supports the delivery of many of the actions in relation to improving public health and reducing inequalities in healthy life expectancy.

**Immunisation funding** will support the new meningitis B and meningitis ACWY programmes as well as expansion of the seasonal flu campaign for children. Immunisation is a universal service impacted by increasing populations. The aim is to create 'herd immunity', so protecting all parts of the community equally.

Public health actions can contribute to the **prudent healthcare agenda**, and so improve the impact of spending by for example by:

- helping empower people and their communities to take more control of their health on the basis of co-production; and
- developing effective prevention and early interventions that can avoid expensive problems later on.

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For example, Healthy Working Wales (£0.195m) supports employers across all sectors to develop policies and interventions to promote the health and well-being of their staff and reduce the impact of ill-health on work. Healthy Working Wales attracts joint funding from the economy portfolio (£0.6m) and currently impacts on 460,000 employees in over 3000 employers in Wales. The programme now includes an In-Work Support Service (0.214m) which is supported by £3.2m of European Structural Funds to support people who are most at risk of long term sickness absence, to return to work – it aims to support 4000 people and 500 employers over 3 years...

With an ageing population it is vital that we work with people to help protect their health as they get older. We also recognise that the health service and wider health sector play a crucial part in underpinning and stimulating our economy, helping to tackle economic deprivation and reducing the economic drivers of ill health. The NHS has a considerable weight in the national economy, in employment, procurement, capital investment and innovation. Increasingly the opportunities are being taken to use the influence and budget of the NHS to influence people's chances of good health through enhanced employment and contributing to prosperity. Our programmes seek to mitigate the impact of poverty and improve people's life chances supporting objectives outlined in the Welsh Government's Tackling Poverty Action Plan.

In 2015 the then Health and Social Services Minister announced a protected investment of £10m to support an Efficiency Through Technology Programme (ETT programme). This funding is awarded on a competitive basis to NHS organisations to support the rapid evaluation and adoption of new technology products and services, with an emphasis on efficiency, improved outcomes for patients, and scaling approaches to the all-Wales level. The ETT Programme also supports national projects to encourage technology development, innovation, industry engagement, and international partnerships (including EU networks and funding opportunities). All projects are actively managed to ensure value for money and the ETT funding has achieved a good match funding ratio. Evaluation is embedded in all projects, as well as at programme level. The ETT Programme will continue into 2017-18.

### **New Treatment Fund**

The introduction of the new treatment fund will support the early introduction of the newest and most innovative high-cost medicines which have been recommended by NICE or AWMSG. We will make £80m available over the life of this government to ensure new medicines, which address unmet clinical need and represent a significant step forward for the treatment of life-limiting and life-threatening diseases are available. This will be delivered consistently across Wales as soon as possible following a positive recommendation by either NICE or AWMSG.

The fund has developed from our experience of making new high-cost treatments for a range of life-changing conditions available to people in Wales. In 2015-16, the Welsh Government provided significant funding from its central reserves to enable the NHS to fund four new treatments for hepatitis C and a new treatment for a rare, genetic and progressive disease

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called atypical Haemolytic Uraemic Syndrome (aHUS). The medicines represented a major step forward in treatment and secured significant health and social benefits for patients. It is essential the new treatment fund is operated transparently and is widely understood. Work is progressing to develop a mechanism to manage the fund effectively. We anticipate the fund will be operational by December.

### **Mental Health**

There has been a commitment to a mental health ring fence since September 2008 to protect the amount of money within this NHS budget and an explicit statement that whilst savings can be made any savings accrued cannot be spent outside the ring fence. We continue to recognise the important role of mental health services in improving patient outcomes.

### **Impacts**

Our Strategy *Together for Mental Health* aims to address stigma and discrimination and tackle inequalities. Tackling stigma and discrimination continues to be a priority area within the *Together for Mental Health* 2016-19 delivery plan. In addition a priority within our new Programme for Government is to 'Work to ensure that mental health discrimination is ended'. The new delivery plan also includes a key action 'To reduce inequalities for vulnerable groups with mental health needs, ensuring equitable access and provision of mental health services'

### **Child and Adolescent Mental Health Services (CAMHS)**

In relation to our requirements in legislation to account for the specific needs of children and young people, the provision of Child and Adolescent Mental Health Services (CAMHS) continues to be a priority area for improvement. We continue each year to make an additional £7.968m available to improve the range of CAMHS provision. Specifically this funding will help improve specialist child and adolescent mental health services (CAMHS) ability to respond out of hours and at times of crisis, expand access to psychological therapies for young people, improve provision for children and young people in local primary mental health support services, ensure services intervene early to meet the needs of young people who develop psychosis and to develop appropriate services for young people with neuro-developmental needs, such as ADHD and autistic spectrum disorders.

The CAMHS improvement programme (*Together for Children and Young People*) has been in place since 2015 and will continue in 2016-17. This involves a cultural shift in provision to ensure the small and specialist CAMHS resource can focus on those with the most enduring mental illness. Taking this forward CAMHS will need to build, maintain and strengthen partnerships with other agencies in local authority social care and elsewhere. Multidisciplinary teams working in Integrated Family Support Services and initiatives such as the health component of Flying Start are central to ensuring those with the most need have access to specialist CAMHS at the earliest opportunity; and also ensuring no disadvantage to those with lower level

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mental illness, who can be dealt with by other agencies, with appropriate CAMHS support, reducing stigmatisation.

Actions included within the plan also include preventative services – both universal and targeted, the latter of which focuses at higher risk areas and therefore links in with goals defined in the child poverty strategy

### **Looked after children and young offenders**

Evidence shows that looked after young people have higher levels of attachment disorder. Similarly those in the youth offending system also have higher levels of mental ill health. Identifying and addressing the mental health needs of these vulnerable groups early can ensure that they are able to fully integrate and engage in school and their wider communities. It can also help rehabilitation and reduced recidivism among young offenders. To support this we have made an additional £250,000 available since 2015-16 to improve the way in which CAMHS works with youth offending teams.

Additionally there are actions in the 2016-19 delivery plan, which health boards working with support of the Welsh Government (Health and Social Services) to publish an agreed care pathway for vulnerable young people such as looked after and adopted children to ensure appropriate referrals and support services are provided between CAMHS / other specialist mental health services / local authority and youth justice system by December 2017.

### **Vulnerable Groups**

In July 2015 'Travelling to Better Health' was published. This responds to an identified and evidenced need to improve access to and improve healthcare services for Gypsies and Travellers. The guidance was produced in liaison with Gypsies and Travellers throughout all stages and provides advice on professional practice which could encourage greater participation in health and health services. The Travelling to Better Health guidance is supported by a number of outcome measures for health boards to assist with its effective implementation. Whilst financial implications in the current year are marginal, in the longer-term, following consultation and further implementation of the guidance, there may be further financial implications, particularly in respect of ensuring the NHS has knowledge, understanding and training of healthcare staff in relation to this community.

In September 2015 the service framework for the treatment of people with a co-occurring mental health and substance misuse problem was published. This guidance is designed to inform and influence the delivery of integrated and collaborative practice in the delivery of mental health and substance misuse services for adults, children and young people. Again financial implications are considered marginal within this current year however there maybe further financial implications following receipt of the actions plans from local mental health partnership boards / substance misuse area planning boards

Work has been ongoing in a number of additional areas including supporting the introduction of a Crisis concordat between Police, NHS and other partners

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to improve responses to people in contact with the police with mental health problems, a working group of key stakeholders is in place to ensure the implementation of the published *Crisis Care Mental Health Concordat*.

We will also issue a pathway for care, to ensure access for refugee and asylum seekers to general mental health and specialist Post Traumatic Stress Disorder (PTSD) provision **by January 2017**.

Mental health is 1 of the 4 priority areas for early action identified in the strategic Welsh language framework – *More than Just Words*. The June 2013 User Satisfaction Survey (Fundamentals of Care Audit) showed that 98% of patients were “receiving full information about [their] care in a language and manner sensitive to [their] need”. To support this further we have ensured the four most popular books under the *Book Prescription Wales* Scheme have been translated into Welsh and are available on CD. Locally, Betsi Cadwaladr UHB’s Welsh Language initiatives include developing a bilingual service user pathway to match Welsh speaking service users with bilingual mental health workers and identify unmet need.

There is a clear link between mental health problems and poverty. Studies have found that people with mental illness have the lowest employment rate for any group of disabled people. They also arguably experience greater poverty, less adequate housing and greater social isolation. It is important that our efforts to tackle poverty recognise this. We know that reduced incidence of mental health problems are important for healthy functioning communities, improving social cohesion, social inclusion and prosperity. We know that those in the most deprived areas of Wales are more likely to suffer the most from poor mental health and a higher incidence of mental illness.

Budgets impact directly and indirectly on socio-economic disadvantage, tackling poverty and building sustainable communities, contributing to direct employment of people within the mental health field, particularly the Third Sector supported through S64 grant funding. Our work also supports vulnerable people by promoting recovery which helps them live independently and participate economically. Evidence shows mental illness is one of the key reasons for workforce absenteeism and a significant factor for a number of the long term economically inactive. Being in employment is particularly protective against living in poverty. Promoting mental wellbeing and establishing accessible support services will reduce the numbers of people unable to work due to mental illness and for those in work, promote speedier recovery, reducing time off work and enabling them to return to work sooner. In September we launched a new programme of peer support to help nearly 6000 people with substance misuse and mental health issues into or closer to employment supported in part by the European Social Fund. There is another peer support programme that will also help people who are in work and experiencing health problems sustain employment.

A key theme of our approach is to address problems early in life to prevent them developing into more serious issues during adulthood. 1 in 10 children between the ages of 5 and 16 will have a mental health problem, and many



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more have behavioural issues. In addition many children act as carers and have to support parents/guardians who are themselves mental ill health sufferers. They require support to fulfil their role, including information and advice.

At the other end of the age spectrum, improving care, support and awareness of Dementia is a key priority. Dementia is a considerable cost to both public and private finances, with numbers increasing as the population ages. A large proportion of the cost is borne by carers and can be a significant contributor to household poverty. Dementia UK estimates £690m p.a. is lost in income for carers who have to give up employment or reduce work hours. The cost is also personal, as the carer often has to sacrifice their social life to provide dedicated, 24/7, care. Within the 2016-19 delivery plan we have committed to produce a dementia strategic plan by the end of the calendar year which will be then subject to formal consultation.

### **Evidence**

Recurrent investment from 2011-12 of £3.5 million is supporting ground breaking mental health legislation the Mental Health (Wales) Measure 2010, which commenced in 2012. This investment has meant that there are now Local Primary Care Mental Health Support Services delivered locally across Wales. Between April 2013 and August 2016, over 110,000 primary mental health assessments were undertaken (prior to the implementation of the Measure this service was not available).

A mental health core data set, including outcomes from a service user perspective will evaluate the impact of the strategy. It will include measuring outcomes from a service user perspective and will also capture ethnicity data in all NHS psychiatric inpatient settings. We are continuing to develop this with the NHS Centre for Equality and Human Rights and Diverse Cymru The Together for Mental Health Strategy (2012) describes how mental health is a key driver for social and economic development. The increased mental health budget, for both adult and children's services will ensure Wales is at the forefront of promoting good mental health and tackling mental illness when it arises. The Strategy is an integrated cross Government strategy ensuring health social care and wider partners such as housing education and police work collaborate to achieve its outcomes. Age inclusive for children it embeds UNCHR within the approach. The strategy seeks to ensure continuous improvement and consequently has three year delivery plans across its ten year lifespan, to ensure that there is consideration as to next steps for improvement, it has considered the first three year plan and the findings, alongside significant stakeholder engagement have informed the next delivery plan being drafted to cover the period 2016-19. This plan will be subject to formal consultation between January – March 2016 and is due to be published in June 2016.

Many people with mental health conditions are regarded as disabled under the definition of the Equality Act 2010. This strategy aims to reach positively to the heart of tackling inequalities. Welsh Language matters are fully considered in relation to the Strategy and its delivery plan and for those where

## **ANNEX B**

need is highest particular attention given e.g. those with dementia who have a clinical need for assessment in their first language.

This investment will directly impact the long term economic development of Wales through the creation of specialist and high quality posts within the NHS. It will also help grow the workforce for the future. For example the nursing workforce in CAMHS is expected to increase by around two-thirds as a result of this investment.

More generally the investment will support tackling poverty by improving educational attainment in children and young people, which is at the heart of the spending plans. Evidence shows that the increase in referrals to child and adolescent mental health services in recent years (with over a 100% increase in referrals over four years) is, in part, attributable to referrals for neurodevelopmental conditions. £2m of funding is being targeted at developing services to diagnose and treat these conditions which will bring direct benefits to the attainment of young people, as a result of their being able to engage fully in their education. Funding is also being targeted at young people in the criminal justice system, which research by the Prison Reform Trust shows have higher levels of mental health needs. Ensuring their needs are met in a timely manner will reduce recidivism among this group promoting their rehabilitation back into society.

For adults with mental health problems this supports recovery and keeping people in work if they develop mental health problems and allowing them to re-engage with the workplace as they recover which supports economic development as does support for their carers to continue within the workplace to reduce poverty.

The Welsh population is aging and as a result the incidence of dementia will increase. Improving services for dementia sufferers not only improves their quality of life but also those of family members who have to shoulder the burden and cost of caring for them, many of whom have to give up work to support their relations. This impacts their own quality of life and investment in new services will also therefore prevent poverty amongst the wider population and promote the priorities of the Future Generations (Wales) Act.

### **Continuous Improvement**

Together for Mental Health enables us to measure the success of our work through a range of outcome measures, both specific to mental health and more general indicators of wider change



Llywodraeth Cymru  
Welsh Government

Simon Thomas AM  
Chair, Finance Committee  
National Assembly for Wales  
Tŷ Hywel  
Cardiff  
CF99 1NA

2 November 2016

Dear Simon,

On 18 October, I laid the Welsh Government's Draft Budget 2017-18 before the National Assembly for Wales for consultation and scrutiny. As part of the Budget package I published a Budget narrative which provides a strategic account of the Welsh Government's spending plans together with MEG Budget Action Tables.

On reviewing the documentation post publication, we have identified a limited number of transposition and/or typographical errors, both in the English and Welsh versions of the Budget narrative and the MEG Action Tables. These are mainly presentational in nature. However, I would like to bring the following changes to your attention:

- A new table, Table 8.4, has been inserted in Annex C to provide an overview of structural changes within the Education MEG that have occurred since the publication of the First Supplementary Budget 2016-17; and
- Tables 8.1 to 8.9 have been re-numbered as 9.1 to 9.9. In Table 9.1, the amount transferred from the Health, Wellbeing and Sport MEG to the Local Government MEG in respect of funding for the Food Standards Agency hygiene rating scheme should read £57,000 and not £59,000. This change also impacts on Tables 9.2. and 9.8.

In order to support the scrutiny of our plans, I have published updated versions of these documents on the Welsh Government's website.

I am copying this letter to Chairs of Committees.

**Mark Drakeford AM/AC**

Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol  
Cabinet Secretary for Finance and Local Government

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Kirsty Williams, AM  
Cabinet Secretary for Education  
Welsh Government

3 November 2016

Dear Kirsty

### **Review of Higher Education Funding and Student Finance Arrangements in Wales**

As you will be aware, following publication of the Final Report of the Diamond Review, the Children, Young People and Education Committee met with Professor Diamond to discuss the report and its recommendations in detail.

The Committee very much welcomed the meeting with Professor Diamond, as this provided an opportunity to hear first-hand the thinking behind many of the review's recommendations, and for Professor Diamond to provide further information and answer questions on specific recommendations and the Final Report as a whole.

I thought it would be helpful to set out formally the Committee's views and concerns on specific areas of the review in advance of your formal response to the Final Report. The Committee would also very much welcome your response to a number of questions set out in this letter, where we believe further clarity or assurance is needed. This will help the Committee in its ongoing scrutiny of the review's recommendations.

#### **A package of support**

It is clear that Professor Diamond considers the review's recommendations should be taken as a package, which will provide:

- support for funding both students and the higher education sector in Wales;
- support for an integration of research and teaching; and



- support an individual student to “flow” through different aspects of higher education. They may be entering higher education from school, college, unemployment or employment.

The Committee welcomes the recommendations for full time undergraduates and also welcomes the recommendations for support for postgraduate and part-time higher education. The Committee believes that the recommendations should be implemented as a “package” to help enable an individual student to be supported financially through different levels of higher education, including within further education.

To support this approach, the Committee welcomes the recommendations in the Diamond report on Welsh Government support for employer sponsored higher education programmes and higher level apprenticeships. It also recommends that the Cabinet Secretary gives serious consideration to introducing / developing a more “dynamic” system between further and higher education, using some of the most successful current arrangements between colleges and higher education institutions as potential future models.

### **Full time undergraduate fees**

Professor Diamond told the Committee that he believes the level of fees for full-time undergraduate courses is “about right” to enable universities to operate effectively, but that the Welsh Government “will need to consider very seriously what these rates are in future”.

The Committee has noted that the Cabinet Secretary has set the maximum fees for undergraduate courses for 2017/18 at £9,000 p.a. compared to a maximum of £9,250 p.a. in England (an inflationary increase). However, some commentators have expressed the view that this will disadvantage the higher education sector in Wales.

*Could you set out your reasons for setting the fee level to £9,000 p.a., and outline (a) at what level you intend to set full-time undergraduate fees in future years; and (b) how you intend to respond to future changes to undergraduate fees in England.*



## Financial modelling and forecasts

Professor Diamond has confirmed that the financial modelling within the review was largely based on the £9,000 maximum fee and current student numbers. An inflationary increase of 2 per cent would cost an additional £24million.

*Can you confirm what contingency margins the Welsh Government will factor into their financial modelling to take account of for example: demographic change; increasing numbers of students at all levels; and increasing maximum fees? In addition, what modelling has the Welsh Government undertaken on the future numbers of European and International students?*

## Progressive Universalism

The Committee notes the review's recommendation to give every full-time undergraduate a maintenance grant of £1,000 p.a. regardless of household income. Professor Diamond told the Committee that the recommendation was made in the spirit of progressive universalism, which has been part of Welsh Government policy for some time.

*Do you agree with the principles of Professor Diamond's proposals for "progressive universalism", and do you intend to accept the recommendation to give every full-time undergraduate a maintenance grant of £1,000 p.a.?*

## The cost of the proposals

There was some uncertainty as to whether the recommendations presented in the report would be cost neutral, as outlined. Some questions were also raised about the remit of the review relating to 'costs'.

*Could you clarify:*

- *Whether Professor Diamond was asked to make "cost neutral" recommendations?*
- *Whether this requirement was changed during the course of the Review?*
- *Whether the Welsh Government expects to make financial savings from a new policy compared to the previous policy, including the Tuition Fee Grant?*



## Acquiring higher level skills and progression

Professor Diamond told the Committee that he “is passionate about a broad range of skills being available” including higher level apprenticeships. In order to help achieve this, the Committee recommends that the Cabinet Secretary reviews:

- the “flow” and progression of students through pre- and post-16 education, particularly for those young people who do not choose a traditional academic path.
- the availability of **independent** careers advice, particularly in years 9 and 11, particularly for those young people who may benefit more from a vocational pathway rather than an academic pathway but who still wish to achieve higher level skills.

## Additional support for vulnerable groups

The Report recognises that students with a disability have particular challenges in successfully completing a course of higher education, and suggests that the Welsh Government should work with HM Treasury to consider what further assistance can be offered. The Committee very much agrees with this, and recommends that the Cabinet Secretary works with HM Treasury in this regard.

The Committee welcomes the recommendation that people with experience of care should receive the maximum Maintenance Grant. We do however recognise that other vulnerable groups, including those with experience of the care system, should also be considered a priority for additional help, and calls on the Cabinet Secretary to explore how this can be taken forward.

## Increased Demand

The implementation of the new system could increase demand within the Higher Education setting. The Committee therefore recommends that the Welsh Government gives consideration to the impact of the proposals on higher education staff, particularly the workloads of current staff and the potential supply of new lecturers, if needed.



## **Incentivisation to encourage graduates to return to Wales**

The Committee endorses Professor Diamond's recommendations about the incentivisation of graduates to return to Wales. The Committee notes that the report refers to loan cancellation as one means of incentivisation, but suggests that other mechanisms, such as "golden hellos" should be explored, especially if "partial loan cancellation" turns out to be difficult to arrange quickly.

The Committee is keen to consider the Cabinet Secretary's response to the Diamond recommendations. Once that response is published, we would welcome the opportunity to discuss this further with you in Committee.

I have copied this letter to Russell George, AM, Chair of the Economy, Infrastructure and Skills Committee.

Yours sincerely



**Lynne Neagle AC / AM**  
Cadeirydd / Chair

**Cc Russell George, AM**  
**Chair of the Economy, Infrastructure and Skills Committee**





# Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

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