

Children and Young People Committee

Meeting Venue:
Committee Room 1 - Senedd

Meeting date:
19 October 2011

Meeting time:
09:15

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1. Introductions, apologies and substitutions

2. Welsh Government draft budget proposals for 2012-13: Ministerial Scrutiny Session (9:15 - 10:30) (Pages 1 - 11)

Leighton Andrews, Minister for Education and Skills

Jeff Cuthbert, Deputy Minister for Skills

Gwen Kohler, Head of Corporate Planning, Performance & Financial Management

Chris Tweedale, Director of Schools and Young People Group

Break (10:30-10:40)

3. Welsh Government draft budget proposals for 2012-13: Ministerial Scrutiny Session (10:30 - 11:45) (Pages 12 - 18)

Lesley Griffiths, Minister for Health and Social Services

Gwenda Thomas, Deputy Minister for Children and Social Services

Martin Swain, Head of Children & Young People Strategy Division

Steve Milsom, Deputy Director Adult Social Services Policy

Agenda Item 2

Children and Young People Committee

Date: 19 October 2011

Time: 09:00 – 10:30

Venue: Senedd

Title: Education and Skills draft budget for 2012-13

Purpose

1. To provide an evidence paper for the Children and Young People Committee on the Education and Skills budget and priorities for 2012-13.

Timing

2. The draft budget was published on 4 October 2011.

The 2012-13 Education and Skills Draft Budget

3. The 2012-13 Draft Budget provides a three year plan for investment in the provision of education and skills in Wales. Table 1 provides an overview of the planned Education and Skills budget or 'main expenditure group' (MEG) together with the changes made to the indicative budget since the publication of the last Supplementary Budget in June 2011 (which restated the Education and Skills budget taking into account portfolio changes from Final Budget).

Table 1: Education and Skills MEG

	2011-12 Supp Budget June 2011	2012-13 Supp Budget (Indicative)	Changes	2012-13 Draft Budget	2013-14 Supp Budget (Indicative)	Changes	2013-14 Draft Budget	2014-15 Supp Budget (Indicative)	Changes	2014-15 Indicative Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue DEL	1,630,201	1,627,590	20,590	1,648,180	1,647,634	27,190	1,674,824	1,647,634	34,825	1,682,459
Capital DEL	169,973	161,343	0	161,343	143,834	0	143,834	143,834	0	143,834
Total DEL	1,800,174	1,788,933	20,590	1,809,523	1,791,468	27,190	1,818,658	1,791,468	34,825	1,826,293
Annually Managed Expenditure	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
TOTAL BUDGET	1,925,476	1,911,245	48,803	1,960,048	1,903,477	76,466	1,979,943	1,903,477	76,126	1,979,603

4. Revenue funding for 2012-13 has increased by £20.6m compared with the indicative budget which equates to 1.3%. Indicative budgets are also increased for future years by £27.2m (1.65%) and £34.8m (2.1%) for years 2013-14 and 2014-15 respectively.
5. The capital budget remains unchanged from the indicative budget which presents reductions to £143.8m by 2013-14 from the current budget level

of £169.9m. All approved projects are proceeding. The Welsh Government remains committed to the 21st Century Schools programme.

6. Additional funding of £22.3m has been obtained from Centrally Retained Capital (CRC), for 2011-12. The funding is provided for projects in respect of Gateways to the Valleys Bridgend, Dinefwr and Merthyr Learning Quarter. The Department will bid for additional funding from CRC for future years as the funding is made available.
7. The Annually Managed Expenditure (AME) budget is wholly related to student loans which are demand led and sensitive to interest rate and other macro-economic factors. The increase of £28.2m mainly relates to the forecast increase in new loans to be issued. This budget is agreed with the Treasury each year. The figures for 2012-13 of £150.5m are projections based on the latest estimates and it assumes that these will be fully funded by the Treasury.

Budget Context

8. This budget is set in the context of the constraints imposed by the UK Government in the last planning round, whilst planning to deliver the commitments made in the Welsh Government's Programme for Government, including the legislative programme such as the School and Standards Bill. Revenue funding for 2011-12 was reduced by £21.1m during the previous budget from 2010-11 levels. This Budget rolls forward unchanged many of the indicative budgets approved by the Assembly in February. However, the Education and Skills MEG has secured additional funding for:
 - The **Jobs Growth Wales**, the first of the "five for a fairer future" pledges made by the Welsh Government (£12.5m);
 - **Frontline spending in schools** – previous plans to increase schools budgets by an additional 1% above overall changes to the Welsh budget as a whole for 2012-13 and 2013-14 are continued and extended to 2014-15 (£4.6m);
 - **The ADAPT programme** – the ADAPT programme which assists displaced public sector workers to return to work or start their own business is extended (£5m);
 - **Free School Milk and Breakfasts** – commitment to these key delivery programmes is continued; and
 - **Student Finance** - from the academic year 2012-13 part-time Higher Education students will benefit from access to the same student finance package as full-time students (£4.3m/£10.9m/£13.8m).
9. As part of the budget setting exercise budgets in excess of £17.6 have been re-prioritised: to meet other Programme for Government pledges

such as the establishment of a Masters qualification for teachers and the development of a virtual learning environment in schools; and to direct more funding to the front-line through increases to the School Effectiveness Grant.

10. In setting this budget, the department has considered and assessed the impacts of the changes both on the organisations affected and, more importantly, on the learners and learning outcomes. Careful consideration has been given to equality impacts and to the need to tackle social inequalities more generally. The assessment of the decisions made in respect of the budget reductions applied within the draft budget are that they do not cause disproportionate impact to the specific groups on the basis of age, disability, gender and gender reassignment, race, religion or belief or non-belief and sexual orientation. We will continue to review the impact of budgets on equality impacts, and follow this through the further allocation to specific programmes, and external bodies.
11. The accounting architecture of the Education and Skills MEG has been re-aligned to match resources to departmental strategic outcomes and improve the transparency of budgets. The Action level budget plans are provided at Annex 1 as published on 4 October, together with the detailed Budget Expenditure Line detail at Annex 2.

Summary of Draft Budget Changes

12. A summary of draft budget changes for each Action level budget is provided below.
 - ***Education and Training Standards - 2012-13 Budget £1,145.5m***
“To raise the standards of education and training provision, attainment and infrastructure across Wales so that everyone can reach their potential.”

Literacy and Numeracy: 2012-13 Budget £5.5m

13. In line with the Welsh Government's focus on raising educational standards, specifically on literacy and numeracy, in 2011-12 we have made budget transfers to create a specific Literacy and Numeracy budget. The necessary transfers are included within the budget as BEL to BEL changes. Funding for Literacy and Numeracy in schools of £7m has been redirected to the School Effectiveness Grant. Similarly, £1.1m has been transferred to the Employability of the Workforce budget for adults. A transfer of £2.2m from the Access Opportunities budget is included which relates to funding previously linked to literacy and numeracy programmes for families associated with the Cymorth programme, which remain within the Education and Skills portfolio.
14. This means that the 2011-12 baseline is £3.512m and the Literacy and Numeracy budget will see increases of £4m by 2014-15 from 2011-12 planned expenditure levels.

Curriculum: 2012-13 Budget £123.3m

15. The budget has been reduced by £4.2m with savings of £3.368m identified against the 14-19 Learning budget in 2012-13 which will be achieved through shifting delivery of 14-19 learning pathways to regional working. This rises to £4.611m in 2013-14.

Teaching & Leadership: 2012-13 Budget £20m

16. Additional funding of £0.5m has been identified by re-prioritisation within the Education and Skills MEG to provide funding to pilot more flexible forms of teacher training linked to our school improvement priorities. This rises to £1.1m in 2013-14 and £1.3m in 2014-15.

17. Further reconfiguration within this Action has been possible through redirecting resources from a number of smaller development programmes and reduction in the number of initial teacher training places to enable funding of some £4m to be allocated to support the development of a masters level qualification for teachers, another key pledge in the Programme for Government.

Qualifications: 2012-13 Budget £13.6m

18. Savings of £1.7m in demand led budgets have been made available for re-investment in other front-line services.

Post-16 Education: 2012-13 Budget £551.2m

19. This budget provides mainstream funding for school sixth forms, further education, work based learning and adult community learning, and remains largely unchanged from indicative budgets. Funding increases by £16m (2.9%) over the planning period from 2011-12 levels. Of this, the indicative budget for Further Education amounts to some £320m in 2012-13 and £325m in 2013-14, including funding for Welsh for Adults and FE in Higher Education provision. Indicative budgets for 2013-14 are rolled forward to 2014-15 in the draft budget. There is a small reduction of £0.1m in relation to the FE Policy Development BEL which is a consequence of programmes reaching their natural conclusion.

Higher Education: 2012-13 Budget £380.4m

20. There are no changes proposed to the indicative Higher Education budgets. The reforms being made to the higher education funding model are being managed within existing plans.

Education Structures: 2012-13 Budget £3.9m

21. This budget relates to the transformation agenda. There are no changes proposed.

Education Standards: 2012-13 Budget £39.9m

22. The establishment of a dedicated Literacy and Numeracy budget in 2011-12 mean an additional £7m will be directed to schools through the School Effectiveness Grant (SEG) during the current year. In addition, the identification of savings and the reprioritisation of resources from other budgets within the MEG have enabled a significant increase of funding to local authorities for the SEG. This equates to a further increase of

£7.552m in 2012-13, £13.195m in 2013-14 and £17.595m in 2014-15. In addition, funding for the protection afforded to schools budgets is extended to 2014-15.

ICT & Information Management Systems: 2012-13 Budget £7.5m

23. There are no changes proposed to the indicative budget. However, reprioritisation from within this budget has enabled up to £0.5m to be identified to scope the development of a virtual learning environment for schools, another commitment made in the Programme for Government.

- **Skilled Workforce – 2012-13 Budget £82.4m**
“To deliver a suitably skilled workforce with high quality opportunities for all learners.”

Skills in the Workplace: 2012-13 Budget £27.8m

24. An additional £5m has been made available recurrently to continue the ADAPT programme, which assists displaced public sector workers to return to work or start their own business. A budget of £3m for Skills Growth has been created through re-prioritisation of resources within the BEL as well as £1.35m transferred from the Employability BEL.

Employability: 2012-13 Budget £18.7m

25. This budget benefits from additional funding of £12.5m per annum to create the Jobs Growth Wales with the expectation that a further £12.5m of match funding will be received from the European Social Fund. A further £1.1m is transferred in for adult Literacy and Numeracy. This is off-set by a £1m recurrent transfer to the Business, Enterprise and Technology MEG in respect of the National Science Academy plus £1.35m transferred to the Skills in the Workplace Action to create the Skills Growth budget.

Educational & Careers Choice: 2012-13 Budget £36m

26. The Careers Service budget for 2012-13 remains unchanged from indicative budgets. A further reduction of £5m is planned from 2013-14 with the expectation that savings will be delivered through reconfiguration of the delivery method of the Careers Service following the review of the scope and provision of services.

- **Economic & Social Wellbeing & Reducing Inequality - 2012-13 Budget £390.8m**
“To support individuals, families, communities and businesses in improving economic and social wellbeing and reducing inequality through education and training.”

Access To Opportunities: 2012-13 Budget £4.9m

27. The budget for Supporting Young People has been reduced due to the transfer of £2.259m to the Literacy and Numeracy budget. This transfer relates to literacy and numeracy programmes for families, previously associated with the Cymorth programme.

Wellbeing of Children & Young People Budget £62.6m

28. This budget sees the transfer of £0.21m to the Central Services and Administration MEG in respect of a shift in responsibility for the SEN Tribunal for Wales. Efficiency savings of £2m have been identified within the Additional Learning Needs budget, which have been redirected to Post-16 SEN within this Action to meet potential pressures on this demand led budget.

Post-16 Learner Support: 2012-13 Budget £310.9m

29. The extension of a package of support for part-time students that mirrors that offered to full-time students sees additional non-cash funding from central reserves of £4.3m in 2012-13, rising to £10.9m, and £13.8m in 2013-14 and 2014-15 respectively.

Pupil Engagement: 2012-13 Budget £12.2m

30. There are no changes proposed to the indicative budget.

- **Welsh Language -2012-13 Budget £26.4m**
“To see the Welsh language thrive in Wales.”

Welsh Learning: 2012-13 Budget £12.4m

31. There are no changes proposed to this indicative budget.

Welsh Language Board: 2012-13 Budget £13.9m

32. There are no changes proposed to this indicative budget. However, the Welsh Language (Wales) Measure 2011 will bring in significant changes, with the creation of a Welsh Language Commissioner, Welsh Language Tribunal, a new system of Welsh Language Standards and new rights for the people of Wales. These plans have not yet been finalised and are, therefore, not reflected in these budget proposals.

- **Delivery Support 2012-13 Budget £3.1m**
“Resources are managed and support the delivery of outcomes.” -

Strategic Communications: 2012-13 Budget £1.5m

33. A careful scrutiny of the Education and Skills Department's communications and marketing budgets has led to the release of £1m for re-investment in front-line services.

Education Research & Services: 2012-13 Budget £1.6m

34. Similar savings of £1m are planned in the research and evaluation budgets which will be released to the front-line.

Summary

35. The Education and Skills Draft Budget for 2012-13 is presented to the committee for consideration.

Actions	2011-12 Supplementary Budget June 2011	Indicative Plans Supplementary Budget June 2011	2012-13 Changes	2012-13 Draft Budget New Plans	Indicative Plans Supplementary Budget June 2011	2013-14 Changes	2013-14 Draft Budget New Plans	Indicative Plans Supplementary Budget June 2011	2014-15 Changes	2014-15 Draft Budget New Plans	COMMENTARY
Literacy and numeracy	9,353	11,353	-5,841	5,512	13,353	-5,841	7,512	13,353	-5,841	7,512	1. Transfer in of £2.259m from Access to Opportunities, transfer of £1.1m to Employability.
Curriculum	121,562	127,562	-4,216	123,346	131,462	-5,459	126,003	131,462	-5,459	126,003	1. Savings identified of £3.368m in 2012-13 rising to £4.611m movement to regional consortia working for 14-19 Learning. 2. Further savings identified from 2012-13 of £0.45m from from Support from Improving Standards as programmes closed.
Teaching and leadership	20,218	19,548	500	20,048	18,815	1,100	19,915	18,815	1,300	20,115	1. Increase provided from savings identified in other actions linked to our school improvement priorities. prioritisation from within existing budgets within this Action for teachers.
Qualifications	15,304	15,304	-1,736	13,568	15,304	-1,736	13,568	15,304	-1,736	13,568	Savings identified from 2012-13 as programmes of work re-identification of efficiencies.
Post-16 education	542,376	551,345	-100	551,245	558,476	-100	558,376	558,476	-100	558,376	Savings identified from FE Policy Development due to the
Higher education	394,479	380,424	0	380,424	380,284	0	380,284	380,284	0	380,284	
Education Structures	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	
Educational Standards	22,600	25,300	14,552	39,852	29,500	20,195	49,695	29,500	24,595	54,095	1. Additional allocation from the Central Reserve of £4.6m to schools budgets. 2. Additional funding provided for schools from savings identified of £13.195m in 2013-14 and £12.995m in 2014-15. 3. Transfer in of £7m from Literacy & Numeracy.
ICT & Information Management Systems	7,655	7,538	0	7,538	7,423	0	7,423	7,423	0	7,423	Re-prioritisation within this Action will provide £0.5m to develop Environment in schools.
Total Education and Training Standards	1,137,490	1,142,317	3,159	1,145,476	1,158,560	8,159	1,166,719	1,158,560	12,759	1,171,319	
Skills in the workplace	25,952	21,406	6,350	27,756	22,006	6,350	28,356	22,006	6,350	28,356	1. Transfer in of £1.35m from the Employability of the workforce plus re-prioritisation with this Action to provide £3m per annum. 2. Additional allocation of £5m from the Central Reserve in 2014-15.
Educational and careers choice	38,000	36,000	0	36,000	35,000	-5,000	30,000	35,000	-5,000	30,000	Further savings identified due to the reform of Careers Wales.
Total Skilled Workforce	63,952	57,406	6,350	82,439	57,006	1,350	58,356	57,006	1,350	58,356	
Access to Opportunities	7,229	7,253	-2,259	4,994	7,253	-2,259	4,994	7,253	-2,259	4,994	Transfer out of £2.259m to Literacy & Numeracy.
Wellbeing of children and young people	60,590	62,840	-210	62,630	65,090	-210	64,880	65,090	-75	65,015	1. Additional allocation from the Central Reserve of £0.03m to schools budgets. 2. Additional allocation from the Central Reserve of £0.105m to Breakfasts. Transfer out of £0.21m to the Central Services & Admin Management.
Post-16 learner support	311,281	306,680	4,300	310,980	308,073	10,900	318,973	308,073	13,800	321,873	Additional allocation from the Central Reserve of £4.3m in 2014-15 in respect of extending student support to part-time learners.
Pupil engagement	11,658	12,158	0	12,158	12,758	0	12,758	12,758	0	12,758	
Total Wellbeing	390,758	388,931	1,831	390,762	393,174	8,431	401,605	393,174	11,466	404,640	
Welsh learning	12,377	12,377	0	12,377	12,377	0	12,377	12,377	0	12,377	
Welsh Language Board	13,878	13,978	0	13,978	14,078	0	14,078	14,078	0	14,078	
Total Welsh Language	26,255	26,355	0	26,355	26,455	0	26,455	26,455	0	26,455	
Delivery support	5,313	5,148	-2,000	3,148	5,006	-2,000	3,006	5,006	-2,000	3,006	Efficiency savings identified from Strategic Communication re-allocated to front-line services (schools).
Total Delivery Support	5,313	5,148	-2,000	3,148	5,006	-2,000	3,006	5,006	-2,000	3,006	
Total Revenue DEL - Education and Skills	1,623,768	1,620,157	9,340	1,648,180	1,640,201	15,940	1,656,141	1,640,201	23,575	1,663,776	

		Budget June 2011			Budget June 2011			Budget June 2011		
Estate and IT provision	169,923	161,243	0	161,243	143,734	0	143,734	143,734	0	143,734
Total Raising Standards	169,923	161,243	0	161,243	143,734	0	143,734	143,734	0	143,734
Welsh Language Board	50	100	0	100	100	0	100	100	0	100
Total Welsh Language	50	100	0	100	100	0	100	100	0	100
Total Capital DEL - Education and Skills	169,973	161,343	0	161,343	143,834	0	143,834	143,834	0	143,834

REVENUE & CAPITAL BUDGET - Annually Managed Expenditure (AME)						£000's		£000's		£000's
Actions	2011-12 Supplementary Budget June 2011	2012-13 Indicative Plans Supplementary Budget June 2011	2012-13 Changes	2012-13 Draft Budget New Plans	2013-14 Indicative Plans Supplementary Budget June 2011	2013-14 Changes	2013-14 Draft Budget New Plans	2014-15 Indicative Plans Supplementary Budget June 2011	2014-15 Changes	2014-15 Draft Budget New Plans
Post-16 learner support	-115,649	-132,021	32,128	-99,893	-150,601	42,146	-108,455	-150,601	24,627	-125,974
Post-16 learner support	240,951	254,333	-3,915	250,418	262,610	7,130	269,740	262,610	16,674	279,284
Total Support for Wellbeing	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
Total AME - Education and Skills	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310

Education and Skills - Summary						£000's		£000's		£000's
	2011-12 Supplementary Budget June 2011	2012-13 Indicative Plans Supplementary Budget June 2011	2012-13 Changes	2012-13 Draft Budget New Plans	2013-14 Indicative Plans Supplementary Budget June 2011	2013-14 Changes	2013-14 Draft Budget New Plans	2014-15 Indicative Plans Supplementary Budget June 2011	2014-15 Changes	2014-15 Draft Budget New Plans
Revenue DEL	1,623,768	1,620,157	9,340	1,648,180	1,640,201	15,940	1,656,141	1,640,201	23,575	1,663,776
Capital DEL	169,973	161,343	0	161,343	143,834	0	143,834	143,834	0	143,834
Total DEL	1,793,741	1,781,500	9,340	1,809,523	1,784,035	15,940	1,799,975	1,784,035	23,575	1,807,610
Revenue AME	-115,649	-132,021	32,128	-99,893	-150,601	42,146	-108,455	-150,601	24,627	-125,974
Capital AME	240,951	254,333	-3,915	250,418	262,610	7,130	269,740	262,610	16,674	279,284
Total AME	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
Total Education and Skills	1,919,043	1,903,812	37,553	1,960,048	1,896,044	65,216	1,961,260	1,896,044	64,876	1,960,920

EDUCATION & SKILLS MEG
REVENUE BUDGET - DEL

Budget Expenditure Line (BEL)	2011-12		2011-12		2011-12		2012-13		2012-13		2012-13		2013-14		2013-14		2013-14		2014-15		2014-15		Explanatory Notes	
	Supp	Budget	Approved	Baseline	Updated	Indicative Supp	Changes	Draft Budget	Indicative Supp	Changes	Draft Budget	Indicative Supp	Changes		Draft Budget									
	£000	£000	Baseline	Changes	Baseline	Budget Plans	£000	£000	New Plans	Budget Plans	£000	£000	£000	New Plans	Budget Plans	£000	£000	£000	New Plans	Budget Plans	£000	£000		£000
Basic Skills- Literacy & Numeracy	9,353	-5,841	3,512	5,512	0	5,512	7,512	0	7,512	7,512	0	7,512	7,512	0	7,512	7,512	0	7,512	BEL renamed to Literacy & Numeracy.					
Literacy & Numeracy	9,353	-5,841	3,512	5,512	0	5,512	7,512	0	7,512															
14-19 Learning in Wales	20,620	0	20,620	20,620	-3,368	17,252	20,620	-4,611	16,009	20,620	-4,611	16,009	20,620	-4,611	16,009	20,620	-4,611	16,009						
Foundation Phase	91,151	0	91,151	97,151	0	97,151	101,051	0	101,051	101,051	0	101,051	101,051	0	101,051	101,051	0	101,051						
Curriculum & Assessment	3,576	0	3,576	3,576	5,367	8,943	3,576	5,367	8,943	3,576	5,367	8,943	3,576	5,367	8,943	3,576	5,367	8,943						
Support for Improving Standards	6,215	0	6,215	6,215	-6,215	0	6,215	-6,215	0	6,215	-6,215	0	6,215	-6,215	0	6,215	-6,215	0	BEL incorporated into Curriculum & Assessment BEL above.					
Curriculum	121,562	0	121,562	127,562	-4,216	123,346	131,462	-5,459	126,003															
General Teaching Council	6,501	0	6,501	6,273	-6,273	0	5,972	-5,972	0	5,972	-5,972	0	5,972	-5,972	0	5,972	-5,972	0	BEL incorporated into Teacher Development & Support.					
Teacher Train & Recruit Qualified	10,155	0	10,155	9,713	-9,713	0	9,281	-9,281	0	9,281	-9,281	0	9,281	-9,281	0	9,281	-9,281	0	BEL incorporated into Teacher Development & Support.					
Teacher Development and Support	3,185	0	3,185	3,185	16,863	20,048	3,185	16,730	19,915	3,185	16,930	20,115	3,185	16,930	20,115	3,185	16,930	20,115						
DYSG	377	0	377	377	-377	0	377	-377	0	377	-377	0	377	-377	0	377	-377	0	BEL incorporated into Teacher Development & Support.					
Teaching & Leadership	20,218	0	20,218	19,548	500	20,048	18,815	1,100	19,915	18,815	1,300	20,115	18,815	1,300	20,115	18,815	1,300	20,115						
Qualifications inc Welsh Bacc	15,304	0	15,304	15,304	-1,736	13,568	15,304	-1,736	13,568	15,304	-1,736	13,568	15,304	-1,736	13,568	15,304	-1,736	13,568						
Qualifications	15,304	0	15,304	15,304	-1,736	13,568																		
Further Education Provision	316,372	0	316,372	573,901	-128,710	445,191	581,032	-130,000	451,032	581,032	-130,000	451,032	581,032	-130,000	451,032	581,032	-130,000	451,032						
School Sixth Forms	115,874	0	115,874	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Work Based Learning	126,810	0	126,810	0	128,710	128,710	0	130,000	130,000	0	130,000	130,000	0	130,000	130,000	0	130,000	130,000						
Adult Community Learning	5,876	0	5,876	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
FE Policy Development	836	0	836	836	-100	736	836	-100	736	836	-100	736	836	-100	736	836	-100	736						
Post-16 receipts	-23,392	0	-23,392	-23,392	-23,392	-23,392	-23,392	0	-23,392	-23,392	0	-23,392	-23,392	0	-23,392	-23,392	0	-23,392						
Post-16 Education	542,376	0	542,376	551,345	-100	551,245	558,476	-100	558,376															
HEFCW-Running Costs	3,013	0	3,013	2,908	0	2,908	2,768	0	2,768	2,768	0	2,768	2,768	0	2,768	2,768	0	2,768						
Higher Education Revenue	380,082	0	380,082	356,032	0	356,032	348,732	0	348,732	348,732	0	348,732	348,732	0	348,732	348,732	0	348,732						
Higher Education Receipts	-2,798	0	-2,798	-2,798	0	-2,798	-2,798	0	-2,798	-2,798	0	-2,798	-2,798	0	-2,798	-2,798	0	-2,798						
For Our Future - Coleg Ffederal & UHOVI	14,100	0	14,100	24,200	0	24,200	31,500	0	31,500	31,500	0	31,500	31,500	0	31,500	31,500	0	31,500						
HEFCW Depreciation	82	0	82	82	0	82	82	0	82	82	0	82	82	0	82	82	0	82						
Higher Education	394,479	0	394,479	380,424	0	380,424	380,284	0	380,284															
Transformation	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943						
Education Structures	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943	3,943	0	3,943						
School Governor Activities	702	0	702	702	-702	0	702	-702	0	702	-702	0	702	-702	0	702	-702	0	BEL incorporated into the School Effectiveness Grant BEL					
School Effectiveness Grant	18,849	7,000	25,849	28,549	9,024	37,573	32,749	14,667	47,416	32,749	19,067	51,816	32,749	19,067	51,816	32,749	19,067	51,816						
Schools Performance Improvement	737	0	737	737	-737	0	737	-737	0	737	-737	0	737	-737	0	737	-737	0	BEL incorporated into the School Standards Support BEL.					
Other Schools Inspections	10	0	10	10	-10	0	10	-10	0	10	-10	0	10	-10	0	10	-10	0	BEL incorporated into the School Standards Support BEL.					
School Uniform Grant	770	0	770	770	-770	0	770	-770	0	770	-770	0	770	-770	0	770	-770	0	BEL incorporated into the School Effectiveness Grant BEL					
School Effectiveness-Standards Support	1,532	0	1,532	1,532	747	2,279	1,532	747	2,279	1,532	747	2,279	1,532	747	2,279	1,532	747	2,279	BEL renamed					
Education Standards	22,600	7,000	29,600	32,300	7,552	39,852	36,500	13,195	49,695	36,500	17,595	54,095	36,500	17,595	54,095	36,500	17,595	54,095						
Information Systems	2,094	0	2,094	2,094	-2,094	0	2,094	-2,094	0	2,094	-2,094	0	2,094	-2,094	0	2,094	-2,094	0	BEL incorporated with the ICT & IMS Programme BEL.					
Education IT Strategy- ICT & IMS Programme	5,561	0	5,561	5,444	2,094	7,538	5,329	2,094	7,423	5,329	2,094	7,423	5,329	2,094	7,423	5,329	2,094	7,423	BEL renamed					
ICT & Information Management Systems	7,655	0	7,655	7,538	0	7,538	7,423	0	7,423															

Education and Training Standards	1,137,490	1,159	1,138,649	1,143,476	2,000	1,145,476	1,159,719	7,000	1,166,719	1,159,719	11,600	1,171,319	
Budget Expenditure Line (BEL)	2011-12	2011-12	2011-12	2012-13	2012-13	2012-13	2013-14	2013-14	2013-14	2014-15	2014-15	2014-15	Explanatory Notes
	Supp Budget	Approved Baseline Changes	Updated Baseline	Indicative Supp Budget Plans	Changes	Draft Budget New Plans	Indicative Supp Budget Plans	Changes	Draft Budget New Plans	Indicative Supp Budget Plans	Changes	Draft Budget New Plans	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Skills Development and Workplace Learning	25,413	0	25,413	20,867	6,889	27,756	21,467	6,889	28,356	21,467	6,889	28,356	
Strategic Investment – External Match Funding	539	0	539	539	-539	0	539	-539	0	539	-539	0	BEL incorporated within Skills Development & Workplace Learning above.
Skills in the Workplace	25,952	0	25,952	21,406	6,350	27,756	22,006	6,350	28,356	22,006	6,350	28,356	
Employability	6,433	1,100	7,533	8,533	10,150	18,683	8,533	10,150	18,683	8,533	10,150	18,683	
Employability	6,433	1,100	7,533	8,533	10,150	18,683	8,533	10,150	18,683	8,533	10,150	18,683	
Careers Wales	38,000	0	38,000	36,000	0	36,000	35,000	-5,000	30,000	35,000	-5,000	30,000	
Educational & Careers Choice	38,000	0	38,000	36,000	0	36,000	35,000	-5,000	30,000	35,000	-5,000	30,000	
Skilled Workforce	70,385	1,100	71,485	65,939	16,500	82,439	65,539	11,500	77,039	65,539	11,500	77,039	
Supporting Young People	7,229	-2,259	4,970	4,994	0	4,994	4,994	0	4,994	4,994	0	4,994	
Access Opportunities	7,229	-2,259	4,970	4,994	0	4,994	4,994	0	4,994	4,994	0	4,994	
Spec. Placements/Students with Learning Difficulties FEIs	12,294	0	12,294	12,294	0	12,294	12,294	0	12,294	12,294	0	12,294	
School Based Counselling	4,500	0	4,500	4,750	0	4,750	5,000	0	5,000	5,000	0	5,000	
Food & Drink in Schools	15,850	0	15,850	17,850	0	17,850	19,850	0	19,850	19,850	135	19,985	
Additional Learning Needs	5,506	0	5,506	5,506	-2,210	3,296	5,506	-2,210	3,296	5,506	-2,210	3,296	
Post 16 Inclusion & Supp for Learning SEN	22,440	0	22,440	22,440	2,000	24,440	22,440	2,000	24,440	22,440	2,000	24,440	
Wellbeing of Children & Young People	60,590	0	60,590	62,840	-210	62,630	65,090	-210	64,880	65,090	-75	65,015	
Assembly Learning Grant	195,236	0	195,236	196,323	0	196,323	198,232	0	198,232	198,232	0	198,232	
SLC/HMRC Administration Costs	8,541	0	8,541	7,985	0	7,985	7,469	0	7,469	7,469	0	7,469	
Maintenance Loans Res Budget Prov	97,918	0	97,918	92,918	4,300	97,218	92,918	10,900	103,818	92,918	13,800	106,718	
Targeted Awards	9,354	0	9,354	9,354	100	9,454	9,354	100	9,454	9,354	100	9,454	
Supp for Learning (Coleg Harlech Bursaries)	232	0	232	100	-100	0	100	-100	0	100	-100	0	BEL incorporated with Targeted Awards BEL above.
Post-16 Learner Support	311,281	0	311,281	306,680	4,300	310,980	308,073	10,900	318,973	308,073	13,800	321,873	
Tackling Disaffection	1,158	0	1,158	1,158	0	1,158	1,158	0	1,158	1,158	0	1,158	
Grants for the education of travellers children	900	0	900	1,000	0	1,000	1,100	0	1,100	1,100	0	1,100	
Minority Ethnic Achievement Grant	9,600	0	9,600	10,000	0	10,000	10,500	0	10,500	10,500	0	10,500	
Pupil Engagement	11,658	0	11,658	12,158	0	12,158	12,758	0	12,758	12,758	0	12,758	
Economic & Social Wellbeing & Reducing Inequality	390,758	-2,259	388,499	386,672	4,090	390,762	390,915	10,690	401,605	390,915	13,725	404,640	
Welsh Language Development Unit	12,377	0	12,377	12,377	0	12,377	12,377	0	12,377	12,377	0	12,377	
Welsh Learning	12,377	0	12,377	12,377	0	12,377	12,377	0	12,377	12,377	0	12,377	
Welsh Language Board	13,878	0	13,878	13,978	0	13,978	14,078	0	14,078	14,078	0	14,078	
Welsh Language Board	13,878	0	13,878	13,978	0	13,978	14,078	0	14,078	14,078	0	14,078	
Welsh Language	26,255	0	26,255	26,355	0	26,355	26,455	0	26,455	26,455	0	26,455	
Strategic Communications	2,614	0	2,614	2,544	-1,000	1,544	2,483	-1,000	1,483	2,483	-1,000	1,483	
International Education Initiatives	238	0	238	238	-238	0	238	-238	0	238	-238	0	BEL incorporated with the Education Research & Services BEL below.

Education Research & Services	2,461	0	2,461	2,366	-762	1,604	2,285	-762	1,523	2,285	-762	1,523
Delivery Support	5,313	0	5,313	5,148	-2,000	3,148	5,006	-2,000	3,006	5,006	-2,000	3,006
E&S Revenue (including non-cash) DEL	1,630,201	0	1,630,201	1,627,590	20,590	1,648,180	1,647,634	27,190	1,674,824	1,647,634	34,825	1,682,459

CAPITAL BUDGET - DEL

Budget Expenditure Line (BEL)	2011-12 Supp Budget £000	2011-12 Approved Baseline £000	2011-12 Updated Baseline £000	2012-13 Indicative Supp Budget Plans £000	2012-13 Changes £000	2012-13 Draft Budget New Plans £000	2013-14 Indicative Supp Budget Plans £000	2013-14 Changes £000	2013-14 Draft Budget New Plans £000	2014-15 Indicative Supp Budget Plans £000	2014-15 Changes £000	2014-15 Draft Budget New Plans £000
General Support	51,900	0	51,900	48,278	0	48,278	43,021	0	43,021	43,021	0	43,021
Strategic Investment	118,023	0	118,023	112,965	0	112,965	100,713	0	100,713	100,713	0	100,713
Estate & IT Provision	169,923	0	169,923	161,243	0	161,243	143,734	0	143,734	143,734	0	143,734
Education and Training Standards	169,923	0	169,923	161,243	0	161,243	143,734	0	143,734	143,734	0	143,734
Bilingual Wales Fund - Capital	50	0	50	100	0	100	100	0	100	100	0	100
Welsh Language	50	0	50	100	0	100	100	0	100	100	0	100
TOTAL E&S CAPITAL DEL	169,973	0	169,973	161,343	0	161,343	143,834	0	143,834	143,834	0	143,834

ANNUALLY MANAGED EXPENDITURE

Budget Expenditure Line (BEL)	2011-12 Supp Budget £000	2011-12 Approved Baseline £000	2011-12 Updated Baseline £000	2012-13 Indicative Supp Budget Plans £000	2012-13 Changes £000	2012-13 Draft Budget New Plans £000	2013-14 Indicative Supp Budget Plans £000	2013-14 Changes £000	2013-14 Draft Budget New Plans £000	2014-15 Indicative Supp Budget Plans £000	2014-15 Changes £000	2014-15 Draft Budget New Plans £000
Cash Payments/Repayments Student AME - Capital	240,951	0	240,951	254,333	-3,915	250,418	262,610	7,130	269,740	262,610	16,674	279,284
Cash Payments/Repayments Student AME - Revenue	-115,649	0	-115,649	-132,021	32,128	-99,893	-150,601	42,146	-108,455	-150,601	24,627	-125,974
Post-16 Learner Support	125,302	0	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
TOTAL Support for Wellbeing AME	125,302	0	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
TOTAL E&S AME	125,302	0	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310

CELLS MEG - SUMMARY

	2011-12 Supp Budget £000	2011-12 Approved Baseline £000	2011-12 Updated Baseline £000	2012-13 Indicative Supp Budget Plans £000	2012-13 Changes £000	2012-13 Draft Budget New Plans £000	2013-14 Indicative Supp Budget Plans £000	2013-14 Changes £000	2013-14 Draft Budget New Plans £000	2014-15 Indicative Supp Budget Plans £000	2014-15 Changes £000	2014-15 Draft Budget New Plans £000
Revenue DEL	1,630,201	0	1,630,201	1,627,590	20,590	1,648,180	1,647,634	27,190	1,674,824	1,647,634	34,825	1,682,459
Capital DEL	169,973	0	169,973	161,343	0	161,343	143,834	0	143,834	143,834	0	143,834
Total DEL	1,800,174	0	1,800,174	1,788,933	20,590	1,809,523	1,791,468	27,190	1,818,658	1,791,468	34,825	1,826,293
Annually Managed Expenditure	125,302	0	125,302	122,312	28,213	150,525	112,009	49,276	161,285	112,009	41,301	153,310
Education & Skills	1,925,476	0	1,925,476	1,911,245	48,803	1,960,048	1,903,477	76,466	1,979,943	1,903,477	76,126	1,979,603

Agenda Item 3

Children and Young People Committee

Date: 19 October 2011

Venue: Committee Room 1 – Senedd

Title: Scrutiny of Draft Budget

1. Purpose

To provide an evidence paper on the budgets and priorities of the Health, Social Care and Children Main Expenditure Group (MEG) within the remit of the Children and Young People Committee.

2. Introduction

This paper provides information for the Children and Young People Committee on the future budget proposals for 2012-13 to 2014-15.

3. Budget Overview

Children's and young person's expenditure occurs across a range of budgets, which are summarised as follows:

(a) There are three specific Actions within the Health, Social Services and Children (HSSC) MEG that cover Children's Services these are:

- Children's Social Services
- Children, Young People and Families

both of these are in the Social Services Spending Programme Area (SPA) and represent 60.1% of the total SPA and

- CAF/CASS Cymru Programmes which is in its own SPA.

The table below shows the Budgets for these three Actions

Revenue (£ million)	2011-12	2012-13	2013-14	2014-15
Children's Social Services				
Baseline		12.308	12.308	12.308
Changes		(4.297)	(4.297)	(4.297)
Revised Baseline	12.308	8.011	8.011	8.011
Children Young People & Families				
Baseline		96.341	99.398	99.398
Changes		6.340	21.340	31.340
Revised Baseline	94.294	102.681	120.738	130.738

CAFCASS Cymru Programmes				
Baseline		9.635	9.167	9.167
No Changes				
Revised Baseline	10.138	9.635	9.167	9.167
Total	116.740	120.327	137.916	147.916

Note – a summary of the changes to the above Action budget lines are set out in section 8 of this paper

(b) In addition to this, Local Authorities received £1.3 billion in their revenue settlement in 2010-11, to deliver on their social services functions. Of this total, £417 million was expenditure on children and family services

(c) NHS service provision in relation to children, children's medical conditions and general health of children are funded primarily through the annual revenue allocations to Health Boards. It is for Health Boards to determine the use of this funding across all their areas of responsibility to meet the health needs of their local population.

The Draft Budget does however show specific allocations for the following areas:

Specific allocations (£ million)	2012-13	2013-14	2014-15
Vulnerable Children	3.9	3.9	3.9
CAMHS	2.1	2.1	2.1
Flying Start	46.6	60.6	70.6
Total	52.6	66.6	76.6

(d) In addition to the specific amounts budgeted, NHS organisations spend approximately £44 million per annum on Child and Adolescent Mental Health Services (Source: NHS Expenditure Programme Budgets 2009-10; Statistical Directorate; Welsh Government 2011)

4. Children's Budgeting

In this section, the definition of Children used is in line with that stated in the UNCRC - which is that a child is aged 0 up to, but not including, the age of 18.

Children's budgeting is featured within Priority 15 of the United Nations Convention on the Rights of the Child (UNCRC) 'Getting it Right' Action Plan 2009. This is a 5 year rolling programme to address issues around the Convention of the Rights of the Child. Priority 15 is about improving the transparency of budgeting for children and young people at Welsh Assembly Government level. This relates directly to Articles 4 and 12 of the Convention which state that Governments should deliver the UNCRC and the rights within

it to the maximum extent of the resources available and children and young people should be involved in making such decisions which will affect them.

The Rights of Children and Young Persons (Wales) Measure 2011, which became law in May 2011, imposes a duty upon the Welsh Ministers and the First Minister to have due regard to the rights and obligations in the UNCRC and its Optional Protocols when:

- making any decision relating to developing policy and legislation between 1st May 2012 – 30th April 2014; and
- exercising their functions from 1st May 2014.

These two initiatives will work together and will be part of a General Measure of Implication which is currently in its early stages of development.

5. Budget Statements

In this section, the definition of Children used is in line with that stated in the UNCRC - which is that a child is aged 0 up to, but not including, the age of 18.

In July 2010 we published our most recent analysis of the budget, which included budget spending by age group. However this analyses how much is spent on children, not how much is budgeted.

As our previous response to this Committee stated, we intend to publish this analysis every three years to coincide with the publication of the Children and Young People's Well being Monitor. In the interim we plan to continue to explore other approaches, including the production of Children and Young People's Budget Statements. It is not possible to do this at this stage, as further work will be necessary before this can take place.

6. Priorities

Our Manifesto commitments have a clear focus on giving children a healthy start in life. We want to ensure children receive the care they need as close to their homes as possible in an integrated, safe and sustainable health system. Our priorities for the health of children in Wales are as follows:

- Expanding Flying Start
- Improving Protection and Child Health
- Improving Health services for Children and Young people
- Care for Children and Young People affected by illness, disability, long term conditions or who have suffered physical or emotional abuse

7. Manifesto Commitments

The programme for Government specifically identifies manifesto commitments directly attributable to Health, Social Services, Children and their families which will be delivered over the next four years and these will be our main priorities for this term of Government.

More specifically the Government has highlighted five specific pledges that are of particular importance 'Five for a Fairer Future'. Responsibility to deliver two of these falls directly to the Health Social Services and Children MEG of which the following is specific to Children;

(a) Expanding the Flying Start Programme

The Health Social Services and Children's MEG has received additional funding of £55m over the next 3 years in respect of its 'Flying Start' programme which will have a significant impact on the life chances of those living in the most disadvantaged communities in Wales.

We will double the number of Children benefitting from improved health visiting, free nursery places and better support to families through our 'Flying Start' programme.

The Flying Start programme is predicated on evidence that for children from disadvantaged families, increasing the investment in their early years will have an improved impact on their health and educational outcomes in the short term and in the longer term will improve skills and narrow the gaps in outcomes for children living in poverty. At its inception, Flying Start was based on an integrated approach to service delivery, with sufficient levels of investment to affect improved outcomes for children.

The programme is prescriptive in nature. Four key components form the principle core of the Flying Start offer to families. These are:

- free, high quality part time childcare for all eligible 2-3 year olds (12.5 hours per week for 42 weeks of the year);
- an intensive health visiting service;
- access to evidence-based intensive parenting programmes; and
- access to language and play that develop basic skills for parents and children.

The extension to the programme will be phased over a number of years to allow for the recruitment and training of additional health visitors and childcare workers; training for additional staff to deliver parenting programmes; and an element of capital investment in order to develop the necessary infrastructure for delivery of childcare and other key elements of the programme.

Work is underway in preparing detailed implementation plans and prioritising resources to deliver all of the Governments manifesto commitments over the next 4 years.

(b) Roll – out of Integrated Family Support Services (IFSS)

IFSS is a statutory service to strengthen support to vulnerable children and families. IFSS provides intense support earlier to families where parental substance misuse increases the vulnerability to the child. Families accessing IFSS benefit from the support of a highly skilled team of multi-agency professionals who work intensively with children and families. The teams also work closely with partner agencies and professionals to ensure the family has prompt access to a wide range of services to enable them to make positive lifestyle changes in their child's best interest.

Building on the learning from the 4 pioneer areas, IFSS is being rolled-out across Wales. A further 6 local authority areas with their Local Health Boards will implement IFSS by spring 2012.

(c) Child Poverty

The current economic climate makes it even more important that we retain our commitment to tackling child poverty. There is no higher priority for us than ensuring that children and young people whose lives are affected by poverty have the same chances in life as everyone else in Wales.

That is why the Welsh Government was among the first to pass specific legislation on child poverty. The Welsh Government and local authorities and other public bodies are now required - by law - to set out what actions they are taking to tackle child poverty.

The **Child Poverty Strategy for Wales** published earlier this year set out what we can achieve in helping to reduce child poverty and improve the outcomes of low income families.

The **Anti-Poverty Action Plan** being developed as part of the new Programme of Government will provide regular updates and contain details of measurable outcomes to show progress in implementing the child poverty strategy.

The development of the **Anti-Poverty Action Plan** which will help establish a system of collaborative working across the Welsh Government as well as our partners to tackle the very serious issues causing poverty in Wales.

This will strengthen our approach towards tackling child poverty since it will enable the Welsh Government to draw upon a wider range of programmes to tackle poverty such as the realignment of Communities First as a flagship anti-poverty programme helping us to address deep rooted and inter-generational poverty.

Our ability to reduce child poverty in Wales is clearly dependent on actions taken by the UK Government, particularly in non-devolved areas such as tax and welfare payments. We share the concerns of many people about the pace of the UK Government's welfare and benefit reforms and the potential impacts these changes will have on children in Wales.

(d) Families First – Disability Focus

Families First is an innovation programme that promotes the development by local authority areas of effective multi-agency systems and support, with a clear emphasis on prevention and early intervention for families, particularly those living in poverty.

Families First is referenced throughout our manifesto and is identified as an important delivery vehicle for the Child Poverty Strategy. A specific commitment is “to maintain a distinct focus on the circumstances of disabled children as part of our Child Poverty Strategy and our Families First programme”.

From April 2012 all Welsh Local Authorities will be involved in the delivery of the Families First programme. Currently 14 Local Authorities are involved with Families First during its pioneer phase.

A sum of £0.5 million has been committed for 2011-2012, during the pioneer phase and £3m has been allocated from 2012-2013 to support disabled children and their families. This funding is a consequential resulting from the UK Government's decision to cease the Child Trust Fund (CTF) scheme.

8. Summary of Changes to ‘Action budget lines’ in 2012-13

(a) Children’s Social Services

This funds a range of programmes and policy developments to support vulnerable children and children’s health services, including the implementation of Integrated Family Support Services. There is a **net decrease of £4.3 million** which reflects the following budget transfers between Actions:

- **£1.0 million** from Social Services Strategy Action in respect of funding for Vulnerable Children
- **£1.2 million** to the Delivery of Core NHS Services Action in respect of funding for CAMHS going into the LHB Revenue Allocation
- **£0.9 million** to the Support Mental Health Policies & legislation Action in respect of CAMHS funding
- **£1.4 million** to the Adult & Older people Action in respect of funding for Autism (Children and Adults)

- **£0.5million** to the Sponsorship of Public Health Bodies Action in respect of funding for Newborn Blood Spot Screening
- **£1.3 million** to the Children, Young people and Families Action to consolidate Children and Young Families Grant (CFOG) Budgets

(b) Children, Young People and Families

This Action provides a range of support for children, young people and families to help them to achieve their potential. Targeted programmes such as Families First and Flying Start are directed at our most disadvantaged families to help remove people from poverty and to provide them with better educational, health and economic outcomes, whilst broader programmes support childcare and play. The Action also supports the Welsh Government's approach to embedding the UNCRC into the development of policies and programmes that put the rights of the child at the centre of what we do. There is a **net increase of £6.3 million** in 2012-13 which comprises:

- Additional Allocation - £5.0 million from Central Reserves in respect of Flying Start
- Transfers Between Actions - £1.3 million from the Children's Social Services Action to consolidate Children and Young Families Grant (CFOG) Budgets.

(c) CAF/CASS Cymru Programmes

CAF/CASS Cymru is a child – focused social work organisation, which provides expert social work advice to family proceedings courts, the County Courts and the High Court. Funding here supports the organisation's core duties, as well as obligations under the Children & Adoption Act 2006 including the provision of contact centres and contact activities. Detailed discussions continue on the final budget allocation and it is expected that further funding will be allocated to CAF/CASS Cymru in 2012-13, over that which is in the draft budget proposals, which will result in an efficiency saving of approximately 2% compared with the current years allocation. .