

Eluned Morgan MS, Minister for Mental Health, Wellbeing and Welsh Language

Dyddiad | Date: 20 November 2020

Pwnc | Subject: **Welsh Government Draft Budget 2021-22**

Dear Eluned,

We write ahead of our consideration of the Welsh Government Draft Budget 2021-22.

You will be aware that we have written a joint letter to you, Minister and Deputy Minister for Health and Social Services, to seek detailed evidence on the Health and Social Services MEG as relevant to this Committee's remit.

We have also written to the Minister for Education requesting detailed information about the Education MEG, which as you are aware includes allocations for the support and promotion of Welsh-medium education. A copy of this letter is enclosed at Annex A for your information.

Given your responsibilities for the promotion of the Welsh language more generally, we are interested in how your budget complements that of the Minister for Education's in terms of support for Welsh language educational activities. I would therefore be grateful if you could provide details of the provision in any budget expenditure lines within your portfolio that will be available to support education, development and training opportunities for children and young people through the medium of Welsh.

We would be grateful to receive this response by Friday 8 January 2021, subject to any further changes to the Draft Budget timescale. Given the shared interest, I have copied this letter to the Chair of the Culture, Welsh Language and Communications Committee and the Minister for Education.



Yours sincerely,





Lynne Neagle MS
Chair



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Cc Helen Mary Jones MS, Chair of the Culture, Welsh Language and Communications Committee

Kirsty Williams MS, Minister for Education

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

Kirsty Williams MS, Minister for Education

Dyddiad | Date: 06 November 2020

Pwnc | Subject: **Welsh Government Draft Budget 2021-22**

Dear Kirsty,

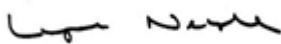
In line with our usual practice, we are writing in advance of the publication of the Welsh Government's Draft Budget 2021-22 to request written information to inform our scrutiny.

As in previous years, we will base our approach on the four principles of financial scrutiny: affordability, prioritisation, value for money and budget processes. We will also seek evidence from the Minister for Health and Social Services, the Deputy Minister for Health and Social Services and the Minister for Mental Health, Well-being and the Welsh Language on matters of relevance to our remit.

We note the Welsh Government's intention to publish the 2021-22 Draft Budget on 21 December 2020, following the UK Government's announcement that its one-year Spending Review will take place on 25 November. Our intention is to hold evidence sessions as soon as possible after the Christmas recess – the Clerk will be in touch to finalise details once the Business Committee has agreed the Senedd Timetable for 2021. We would be grateful to receive the detailed information outlined in the Annex to this letter at least two working weeks before the date on which that meeting takes place.

Given the shared interest across committees in some of the areas listed in the Annex to this letter, I have copied the Chairs of the Economy, Infrastructure and Skills Committee and Culture, Welsh Language and Communications Committee.

Yours sincerely,



Lynne Neagle MS
Chair

Cc Russell George MS, Chair, Economy, Infrastructure and Skills Committee
Helen Mary Jones MS, Chair, Culture, Welsh Language and Communications Committee

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ANNEX – Request for written information in advance of Draft Budget scrutiny

The Committee would welcome a response to each of the points listed:

1. Cross-cutting areas

1.1 *Transparency of budget presentation*

As in previous years, we emphasise the importance of presenting the Draft Budget transparently to enable full and thorough scrutiny. As such, we again request a transparent narrative explanation (and numeric depiction) of the following:

- reductions/removal or increases/additions relating to specific areas of the Draft Budget compared to previous financial years (e.g. grants being reduced or ceasing to exist altogether/being increased or introduced);
- what proportion any changes to the overall amount previously allocated represent; and
- where exactly this change is being made in the Draft Budget, and whether money will be returned to/taken from central reserves or allocated to/from other budget lines.

1.2 *Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations*

- We request commentary on each of the Actions within the Education Main Expenditure Group (MEG), including an analysis and explanation of significant changes since the 2020-21 Second Supplementary Budget (October 2020).
- We also request a breakdown of the 2021-22 and indicative 2022-23 (if available) Education MEG by Spending Programme Area, Action, and Budget Expenditure Line (BEL), with 2020-21 Second Supplementary Budget allocations, forecast 2020-21 outturns, and 2019-20 final outturns all included.
- If the Welsh Government is using a revised baseline budget for comparative purposes, we request that the actual 2020-21 Second Supplementary Budget allocations are presented alongside these as well as an explanation of the reasons for the re-calculation of the baseline.

1.3 *Education priorities and other strategic priorities*

- Information on how the Education MEG aligns with, and is prioritised according to the Welsh Government's relevant priorities and key objectives, including:
 - an updated assessment from the Minister on the extent to which she believes the Education MEG contains the resources necessary to deliver Welsh Government priorities and key objectives, and information on any ongoing negotiations with the Minister for Finance and Trefnydd regarding the necessary level of resources;

- details of whether any further prioritisation or differentiation has been made in terms of allocation of resources between priorities and key objectives, and whether the Minister intends to target resources at addressing any consistent themes that have emerged across the Education MEG as a whole;
- details of the assessment made of the value for money and affordability of delivering each of the key priorities and objectives and how their cost-effectiveness will be monitored; and
- details of any opportunity cost exercises undertaken in respect of the key priorities and objectives set out by Welsh Government.

1.4 Children’s rights and other cross-cutting considerations

As recommended in our previous reports regarding budget scrutiny, our joint Committee inquiry on Strategic Integrated Impact Assessments, and our August 2020 report on children’s rights, we believe a Child Rights Impact Assessment (CRIA) should be undertaken for the Draft Budget as a whole. In terms of the Education MEG specifically, we request:

- information on how children’s rights, equalities (including gender equality), sustainability and the Welsh language have been considered in budget allocations;
- a copy of the CRIA undertaken by the Department for Education to inform the allocations in the draft Education MEG for 2021-22. If a specific CRIA has not been undertaken, the reasons for this and a copy of any alternative integrated impact assessment as well as assurances that this assessment demonstrates that the duty of “due regard” to the United Nations Convention on the Rights of the Child has been exercised;
- information on the account taken of the Wellbeing of Future Generations (Wales) Act 2015 in making allocations to budget lines within the Education MEG; and
- details and/or examples of any changes made to initial allocations within the Education MEG following considerations of children’s rights, equalities, sustainability, the Welsh language, or the Wellbeing of Future Generations (Wales) Act 2015 as a result of impact assessments, or where these assessments have had a direct influence on the setting of budgets.

1.5 Costs of legislation

- Details of any allocations within the 2021-22 budget intended for the implementation of curriculum reform, including any costs associated with the Curriculum and Assessment Bill.
- Details of any allocations within the 2021-22 budget intended for the implementation of the PCET reforms, including any costs associated with the Tertiary and Education Research Bill.
- An update on any ongoing costs to the Education MEG of implementing legislation passed in the Fourth Assembly and the Fifth Senedd so far, and any financial implications for the 2021-22 budget.

- Budget provision for implementing the Additional Learning Needs and Education Tribunal (Wales) Act 2018 and the wider ALN Transformation Programme.
- Information on the financial impact of any relevant UK Parliament legislation.
- Financial implications in 2021-22 of any relevant subordinate legislation.

1.6 Impact of COVID-19

- Information on the impact of COVID-19 on the Education MEG in both 2020-21 and 2021-22, including movements in and out of budget lines, the gross contribution to - and receipt from - the Welsh Government's COVID-19 budgetary response, as well as the net effect of this.
- Details of allocations to the COVID-19 'catch-up' programme in 2020-21 and 2021-22 and the uses of this funding.
- Details of the allocations in 2020-21 and 2021-22 to further education institutions to support provision for learners whose course completion has been delayed, and the number of unique learners impacted.
- Information on any funding for any education-oriented activity related to COVID-19 outside the Education MEG.
- Details of any additional funding, or redirection of resources for, remote teaching and learning for school pupils.

1.7 Impact of Brexit

- Information on any implications for the Education MEG following the end of the EU transition period on 31 December 2020.
- Information on the amount of EU funding the 2020-21 Education MEG has drawn on and the amount it is forecast to rely on in 2021-22 and the purposes to which it is put.

1.8 Budget monitoring

- Information on the processes in place for monitoring budgets throughout the year, identifying potential deficits and surpluses, and taking remedial action or allocating additional funds to cover any shortfalls, particularly in the current exceptional circumstances of COVID-19.
- Details of any changes to the Education MEG that are already anticipated in the Third Supplementary Budget 2020-21.

2. Specific areas

2.1 Funding for school budgets

- An explanation of how the Welsh Government has prioritised funding for schools in the 2021-22 Draft Budget and taken account of the Sibieta review of school spending, which concluded:

“There is now a strong evidence base showing significant benefits from higher school spending. Across a range of contexts and countries, a 10% increase in spending has been found to improve educational and later life earnings by about 7-10%.”

- An explanation of how the Welsh Government has taken account in the 2021-22 Draft Budget of two of Luke Sibieta’s other recommendations:
 - The Welsh Government should prioritise extra funding for more deprived schools.
 - The Welsh Government should prioritise extra funding for schools with sixth forms.
- An updated assessment from the Minister on the sufficiency of provision for school budgets in 2021-22, considering the disruption from COVID-19 and the substantial curriculum and ALN reforms schools will be required to prepare for and implement.

2.2 Funding for school improvement

- A detailed breakdown of how the annual element of the Fifth Senedd commitment to £100 million additional investment in raising school standards is to be allocated in 2021-22.
- A breakdown of how funding under the Fifth Senedd commitment to £100 million additional investment in raising school standards has been allocated and used over the duration of this Senedd.
- An update to Table D provided in the annex to the Minister’s paper to the Committee on the 2020-21 Draft Budget, listing allocations to BELs supporting the raising of school standards within the Education MEG during this Senedd.
- Details of the Regional Consortia School Improvement Grant (RCSIG) allocations in 2020-21 and previous years, as well as any available indicative allocations for 2021-22, broken down by consortium and ‘objective’ (or other heading, whichever is applicable).
- Information on the Education Improvement Grant element of the RCSIG and an update on how the Welsh Government is ensuring this is strategically used and its impact evaluated.

2.3 Reducing the impact of deprivation on educational outcomes

- Information on how resources within the Education MEG are being used to meet the Welsh Government’s long-term commitment to tackle the impact of deprivation on educational outcomes.

- Details of budget provision for the Pupil Development Grant (PDG) and an updated assessment of its affordability and value for money.
- Information about the PDG Access fund and how many learner's families have benefitted since it was introduced to replace the School Uniform Grant.
- Any other funding within the Education MEG for initiatives to tackle the deprivation / attainment negative correlation, for example holiday hunger and school holiday enrichment projects.

2.4 Education workforce

- Details of budget allocations to finance:
 - the Welsh Government's reforms of Initial Teacher Education (ITE); and
 - the development and implementation of a national professional learning offer for the education workforce.
- Information on any funding provided by the Welsh Government to the Education Workforce Council.
- Details of funding for local authorities towards meeting the costs of the teachers' pay award for academic year of 2020/21, including a breakdown between the 2020-21 and 2021-22 financial years and the respective mechanisms used (whether direct grant or incorporated into the local government settlement).
- Confirmation of what proportion of the costs of the 2020/21 teachers' pay award the Welsh Government is direct funding. (The Minister's statement of 14 October 2020 referred to £5.5 million for the 2020-21 financial year element, whilst the EM to the School Teachers' Pay and Conditions (Wales) Order 2020 stated an annual cost of £41 million.)

2.5 Curriculum reform

- Information on funding to support preparations for, and implementation of, the Curriculum for Wales – whether directly related to the Curriculum and Assessment Bill or broader activity.
- If not included in the above, details of professional learning for the education workforce to prepare for the new curriculum.

2.6 Emotional and mental health of children and young people

- Information on the financial implications for the Education MEG in 2020-21 of the work to embed a whole-school approach to emotional and mental health, including any funding to support the statutory guidance.

- Details of how any funding from the Health and Social Services MEG is being used to complement work in schools on this area.
- Details of funding for any additional or tailored initiatives to support children and young people's mental health during the COVID-19 pandemic.

2.7 Support for Minority Ethnic and Gypsy, Roma and Traveller learners

- Details of funding for supporting the education of minority Ethnic and Gypsy, Roma and Traveller learners in 2021-22 and how this is being distributed.
- Confirmation of whether ring-fenced funding will continue for this provision or whether the Welsh Government will be revisiting its previous proposal to mainstream this into local authorities' core activities.

2.8 Additional Learning Needs

- An updated assessment of the pressures facing local authorities, schools, and colleges in delivering current SEN/ALN provision, the impact of the additional £9.4 million in 2020-21 and whether further additional funding will be provided in 2021-22.
- Information on funding provision for the ALN Transformation Programme and the implementation of the 2018 Act.
- A confirmation of whether the Welsh Government still believes delivery of the new ALN system will be cost-neutral, based on an expectation that savings from fewer disputes and less conflict will offset the costs of enhanced provision.
- The latest position on funding for the training of educational psychologists in Wales and the grant funding arrangement with Cardiff University.

2.9 Infant class sizes

- Information on budget provision for reducing infant class sizes in 2021-22, including a breakdown of local authority allocations throughout this Senedd term.
- An update on the numbers of schools, classes and pupils that have benefitted to date.

2.10 Small and Rural schools grant

- Information on budget provision for the Small and Rural schools grant in 2021-22, including a breakdown of local authority allocations throughout this Senedd term.
- An update on the number of schools that have benefitted to date and a brief description of the main uses of the grant.

2.11 *Estyn*

- Details of Estyn’s budget allocation for 2021-22 from the Housing and Local Government MEG, including what recent discussions have been held with the inspectorate on its required levels of funding and how this compares with previous years.

2.12 *Qualifications*

- Details of the budget allocation to Qualifications Wales in 2021-22, including what recent discussions have been held with the regulator on its required levels of funding and how this compares with previous years.
- An update on any additional funding Qualifications Wales is receiving to support its work on qualifications reform in the context of the new Curriculum for Wales and its programme of sector reviews of vocational qualifications.
- Information on any financial implications for Qualifications Wales, or any Welsh Government budgets, from the disruption from COVID-19 and exceptional arrangements for the awarding of qualifications in 2020 and potentially in 2021.

2.13 *Welsh-medium education*

- Details of budget provision to support the Welsh Government’s Welsh-medium education strategy and local authorities’ Welsh in Education Strategic Plans (WESPs).
- A outline of how the Welsh in Education budget Action supports the Welsh Government’s Welsh Language Strategy and its target of one million Welsh speakers by 2050. A summary of how activity funded under this Action relates to activity funded under the International Relations and the Welsh Language MEG (correct MEG title at time of writing)
- Information on any funding allocated to support the realisation of the single continuum for the teaching and learning of Welsh, for example increasing the capacity of the Welsh-speaking education workforce.

2.14 *Early Years / Foundation Phase*

- An update on the work being undertaken to review the relationship between funding rates for childcare for three and four year olds (under the Childcare offer) and early years education (the Foundation Phase) for three and four year olds.
- An updated assessment of the financial position of the funded non-maintained nursery sector as it relates to the Education MEG and the Minister for Education’s portfolio, including in the context of delivering the new curriculum.

2.15 *Youth work*

- Details of the budget provision to support youth service provision including any changes made to reflect the work and recommendations of the Welsh Government's Interim Youth Work Board.

2.16 *Offender learning*

- Details of provision in 2021-22 and how this compares to previous years.

2.17 *Further education, sixth forms and adult community learning*

- Details of the complete 2020/21 allocations to further education colleges, to include the amounts of all components of the allocation (i.e. full-time, part-time, part-time allowance, deprivation, sparsity and welsh medium allowances, maintenance allowance and the Adult Learning Wales adjustment).
- Details of changes to the further education funding model (if any) from the model provided to the Committee in your paper dated 08 Jan 2020 and the reason for any changes.
- Details of any hypothecated funding to further education institutions or Sixth Forms beyond their usual core grants.
- Details of any funding provided in the 2021-22 budget for achieving pay parity and/or to meet any pay award to further education institutions and Sixth Forms, including an explanation as to the sufficiency of the funding to meet in full any agreed pay award / pay equivalency over the period of this budget.
- Details of the complete 2021-22 Sixth Form allocation broken down by each local authority, and the full list of programme values for 2020-21 and 2021-22 used in the calculation of the Sixth Form grant allocations.
- A copy of the most recent Further Education Financial Forecast Planning Assumptions guidance issued to FEIs.
- A step-by-step explanation of the funding model for Adult Community Learning announced in July 2019, and the allocation for Adult Community Learning broken down by the relevant bodies that directly receive the funding.

2.18 *Higher education, and post-16 student financial support*

- Details of the HEFCW allocation, including details of any hypothecated funding, or funding which is intended for specific activities including mental health and student well-being.
- Regarding the Diamond reforms: set out the expected level of student financial support saving for 2021-22 compared to 2020-21 and the proportion of this sum that will be reinvested back into the higher education sector as part of the "Diamond Dividend".

- Details of any 2021-22 allocation intended for the delivery of degree apprenticeships and if it is intended to be used to recruit new apprentices or to just teach out existing apprentices.
- Details of any capital funding to be made available to HEFCW, including any restrictions to be placed on it by Welsh Government.
- **Grants:** A table showing the 2019-20 outturn, and forecast expenditure over the following four years (broken down by students studying in Wales and elsewhere in the UK) for:
 - Full-time undergraduate (FTUG) Tuition Fee Grant;
 - FTUG Maintenance Grant;
 - Part-time undergraduate (PTUG) Tuition Fee Grant;
 - PTUG Maintenance Grant;
 - Masters Finance grant element;
 - Education Maintenance Allowance (EMA);
 - Welsh Government Learning Grant (Further Education) (WGLG(FE)); and
 - Targeted grants and allowances.
- **Loans provision:** A table showing the 2019-20 outturn, and forecast loan outlay over the following for years (broken down by students studying in Wales and elsewhere in the UK) for:
 - FTUG tuition fee and maintenance loan outlay and Resource Accounting and Budgeting (RAB) charge;
 - PTUG tuition fee and maintenance loan outlay and RAB charge;
 - Masters Finance loan element outlay and RAB charge; and
 - Doctoral loan outlay and RAB charge.

2.19 Other post-16 education provision

- Details of Personal Learning Account funding
- Details of the Welsh in Education budget including any allocation for the Coleg Cymraeg Cenedlaethol.

2.20 *Research and innovation, and science*

NB This area falls within the remit of the EIS Committee. To avoid duplication of effort for the Welsh Government, we have agreed to include the request for relevant information in this letter. We will share this information with the EIS Committee once received.

- Details of the funding for research and innovation across the whole of Welsh Government. Welsh Government told the Committee during 2020-21 budget scrutiny that “it's not wholly clear at the moment how much Government funding is going into research and innovation” and that once known, this information would be passed to the Committee.
- Details regarding the support for:
 - Chief Scientific Advisor and their office;
 - research and innovation activity for business and industry; and
 - the Life sciences.

2.21 *Capital funding for school and college infrastructure*

- Information on budget provision for 21st Century Schools and progress of the programme to date, including expenditure and numbers of projects completed/approved to date, broken down by:
 - a summary of expenditure and number of projects undertaken / completed within Band A; and
 - the latest position regarding Band B of the programme.
- Any implications from COVID-19 for the 21st Century Schools programme, including any impact on the progress of projects.

2.22 *Capital funding for childcare*

- An update on capital funding from the Education MEG for the Childcare Offer and any information as to how this has been / will be impacted as a result of the review of entitlement to the offer, as announced in paragraph 368 of the Record of Proceedings 24 September 2019.

2.23 *Capital funding for the Community Focused Schools initiative*

- Information on budget provision for the Community Hubs and Community Learning Centres grant and an update on progress in increasing the community focused nature of education estates.