

**WELSH GOVERNMENT RESPONSE TO THE RECOMMENDATIONS FROM THE CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITTEE REPORT: THE 2022-23 WELSH GOVERNMENT DRAFT BUDGET**

**MARCH 2022**

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We thank the Committee for their work undertaken on the scrutiny of the 2022-23 Draft Budget. This report sets out the Welsh Government response to the 24 recommendations outlined in the Committee's report.

**Recommendation 1**

The Committee recommends that:

Every year, when it publishes its Draft Budget and supporting documentation, the Welsh Government must also publish the Children's Rights Impact Assessment(s) that it undertakes as part of the budgeting process, and clearly set out how they feed into the overarching Strategic Integrated Impact Assessment and decisions on funding allocations.

**Response: Accept in Principle**

While we already provide a significant amount of information, published as part of our Draft Budget we are open to exploring what more can be done. The impact of spending decisions are outlined as part of the main narratives in chapters four and six, complemented by the Strategic Integrated Impact Assessment (SIIA) at Annex D. This SIIA sets out the contextual evidence that has supported our spending decisions, including more detailed case studies on the impacts of specific spending decisions which covers the impact on children and young people. We have also published the Chief Economist's Report, a distributional analysis of devolved public spending and a new Infrastructure Finance Plan under our new Wales Infrastructure Investment Strategy.

The approach we have adopted through our SIIA recognises the importance of an integrated approach to better ensure unintended consequences, such as a negative impact in one area driven by a positive effect in another, are more effectively considered. We believe this integrated approach enables us to more effectively give balanced and due regard to the rights set out in the United Nations Convention on the Rights of the Child.

This approach draws from a range of evidence and information including detailed policy impact assessments, including Children's Rights Impact Assessments (CRIAs) undertaken as part of our ongoing policy development and review. Further details of this are contained within detailed Ministers' written evidence papers to Senedd scrutiny committees which we have also published as part of the 2022-23 Draft Budget package.

We remain committed to continually reviewing our approach as part of the annual Budget Improvement Plan (BIP) and, as part of that, are committed to exploring how we can better reflect children's rights as part of an integrated approach to impact assessment. This includes work we are undertaking on how we can build on the engagement we already undertake with children and young people on the budget, alongside improving the budget leaflet that was originally designed for children and young people and our wider work to evolve how we can better assess the impacts of budget decisions.

## **Recommendation 2**

The Committee recommends that:

Every year, when it publishes its Draft Budget and supporting documentation, the Welsh Government must also publish any data it holds that sets out the extent to which funding in the Health and Social Services MEG and all other relevant MEGs has been allocated to children and young people.

**Response: Accept**

As part of this year's Draft Budget a suite of documents was published to support and provide additional evidence in respect of how funding is being allocated.

The Strategic Integrated Impact Assessment (SIIA) is published each year to provide a detailed account of how budget decisions impact on different groups. In addition to the SIIA (Annex D), which provided the contextual evidence that helped to inform strategic spending decisions, the Draft Budget included details of the impacts of specific spending decisions as part of the main narrative in chapters four and six. We also presented more detailed case studies on the impacts of specific spending decisions to better demonstrate how assessment is undertaken in more detail.

Ministers' written evidence papers to Senedd scrutiny committees were also published as part of the 2022-23 Draft Budget package, which include further information about how impact considerations have informed budget allocations within each MEG.

We are committed to exploring how we can better improve our approach to assessing the impact of budget decisions as part of the Budget Improvement Plan (BIP) published annually alongside the Draft Budget.

**Recommendation 3**

The Committee recommends that:

The Welsh Government must put in place a framework to monitor and evaluate the value for money of 3rd sector mental health support schemes that are funded by the public sector. The framework should be consistent, focused on delivering measurable outcomes for children and young people, and proportionate to avoid placing overly-burdensome reporting requirements on 3rd sector organisations.

**Response: Reject.**

It is not felt that a separate framework would be helpful as this could add complexity and inhibit the ability to be responsive to emerging trends.

However we accept the principles of ensuring that funding mechanisms are consistent, focused on delivering measurable outcomes and proportionate in respect to reporting requirements. Our Third Sector Scheme encourages officials to engage with organisations in the early stages of policy development, as well as funding mechanisms, to ensure WG programmes are accessible and straightforward. We can confirm we will consider these principles as part of the release of new funding planned from mental health budgets. In addition, and with a focus on evaluating outcomes, we are currently finalising an integrated Health and Social Care Outcomes Framework which will be used to evidence how a number of interventions and schemes, including third sector support schemes, are making an impact across systems, including specifically on mental health.

#### **Recommendation 4**

The Committee recommends that:

In relation to the proposed perinatal mental health service in England to support families in north and mid Wales, the Welsh Government must set out:

- a timetable for when the Welsh Government expects that the unit in England will start accepting referrals for families;
- clarification about what provision will be available to Welsh families, including capacity, staffing and Welsh-language provision;
- the extent to which working with NHS England will affect provision for patients; accountability for service delivery; and the extent to which support for Welsh families will be provided within the framework of Wales-specific legislation (e.g. the Well-being of Future Generations (Wales) Act 2015) and the Welsh Government's wider policy objectives.

**Response: Accept** bullet points one and two and we will provide this detail when available. Third bullet point is **accepted in principle**.

We are working to adhere to the principles of Welsh policy and legislation in relation to mother and baby unit provision for patients in North Wales that will be provided by NHS England. I can also confirm that there continues to be significant engagement

between Betsi Cadwaladr University Health Board, the Welsh Health Specialised Services Committee and NHS England regarding the development of this new unit.

### **Recommendation 5**

The Committee recommends that:

As part of its 'daily active group' workstream and of any relevant evaluation or monitoring activities that it undertakes, the Welsh Government must consider how it can ensure that all schools offer their pupils a range of high-quality sport and physical exercise opportunities as part of its wider childhood obesity prevention strategies.

### **Response: Accept**

The Welsh Government continues to work hard to ensure that all schools offer pupils a **range of high quality sport and physical activity opportunities**. This is why the Minister for Mental Health and Wellbeing agreed to the development of a new Daily Active offer for schools in March 2021, as part of its strategic approach to drive obesity prevention at scale and pace through the **Healthy Weight: Healthy Wales strategy**.

The Welsh Government's Healthy Weight: Healthy Wales strategy requires government to **enable our children and young people to have access to education settings where physical and mental health remains a priority** by promoting health and wellbeing at every opportunity. This is why our **Healthy Weight Healthy Wales Delivery Plan for 2022 to 2024 commits us to:**

- Support the role out of Curriculum for Wales, including:
  - Implementing a revised outcomes-focused programme through the Welsh Network of Healthy Schools Scheme, which aligns with the new curriculum and strengthens a focus on healthy weight, encompassing the whole school day.
- Focus on the health benefits of regular physical activity within the school day, including:

- Developing and implementing a **Daily Active Offer** for schools, which encompasses the whole school day and links with work on school day reformulation.
- Working with Sport Wales to ensure every child has access to **sport and physical activity opportunities beyond the school day**, maximising the use of schools facilities for the benefit of their local communities.

The offer will adopt an age specific whole school approach, underpinned by a model of behaviour change and range of adaptable approaches, to complement the new curriculum. This will be responsive to evidence, provide flexibility and **build in evaluation** from the start **to assess health outcomes**.

In 2021-22, a £6.4m Winter of Wellbeing package has been shared across all schools in Wales to provide more sessions around the school day to promote physical, mental and emotional wellbeing through increased access to creative, sporting, play and cultural activities in English and Welsh.

Research shows that programmes which provide enriching and stimulating additional sessions and support learners to re-engage with learning, can have a greater impact on attainment than those that are solely academic in focus. We are also currently developing the evidence base and gathering views, perspectives and experiences on the structure of the school day and year in order to see how we might better maximise opportunities to Support Learners in Wales.

### **Recommendation 6**

The Committee recommends that:

The Welsh Government must set out a clear and detailed timetable for its plans to reform services for looked after children as set out in the Programme for Government and response to the Children's Commissioner for Wales' Annual Report. The timetable must include key implementation milestones and associated funding requirements.

**Response: Accept**

We are currently working through plans, including funding and timetabling to take forward our Programme for Government commitments which we can provide at a future date.

Our recently established Oversight Board with representation from key stakeholders, including the Children’s Commissioner for Wales, will play a lead strategic role in developing how we take forward and implement this work. The Board will also consider the impacts and outcomes of our plans to ensure that, with our partners, we are able to deliver our vision for Children’s services in Wales.

The Deputy Minister for Social Services is committed to taking forward this work in collaboration with our partners, including care experienced young people, and will provide regular updates to the Senedd and to the Committee on progress.

**Recommendation 7**

The Committee recommends that:

The Welsh Government must ensure that there is sufficient funding side aside to resolve capacity issues within the childcare workforce to enable it to successfully expand childcare as set out in the Programme for Government.

**Response: Accept in Principle**

We published our 10 year plan to support the childcare, playwork and early years workforce in 2017, setting out our priorities to support the sector. This included actions to support recruitment and retention, as well as to support training and development. We remain committed to delivering against the actions within that plan, and to driving forward additional activity as required to meet the plans for expanding the provision of funded childcare set out within the Programme for Government.

Welsh Government currently funds Social Care Wales (SCW) to undertake a national recruitment and retention campaign: [WeCare Wales](#). In light of the pandemic, SCW are taking forward an always “on” campaign which allows for responsive action in

relation to any attraction, recruitment and retention issues. In addition SCW support childcare and play settings seeking to recruit and have a dedicated portal to advertise childcare and play job vacancies.

Alongside this, and to ensure enough practitioners are qualified to the appropriate level, the Welsh Government Progress for Success (PfS) scheme supports practitioners in the childcare and play sector to upskill. PfS is a European funded scheme which will come to an end in March 2023. The Welsh Government is looking to develop a successor scheme, with funding earmarked for this within the budget allocations for 2023 onwards. The successor to PfS will continue to support recruitment and training within the childcare and play sector.

In addition to the support for recruitment to the sector and training opportunities, the Welsh Government provides sustainability support for settings such as the 100% business rates relief for registered childcare settings to ensure they can maximise growth opportunities such as the extension to two year olds. To develop new provision Welsh Government is also investing £20m capital funding in 2022-23 to support capacity building in the childcare and play sector.

While Welsh Government funding is aimed at all childcare and play settings, the Welsh Government has allocated specific funding to build capacity within Welsh medium provision. We have provided £3m to Mudiad Meithrin to lead the expansion of Welsh-medium childcare provision across Wales as well as planning the workforce needed to support it. An additional £0.190m has been recently announced to support the resumption of Welsh medium play groups as well as support and expand the Cam wrth Gam programme, which provides childcare courses for year 10-13 pupils in secondary schools. This funding supports Welsh Government's PfG commitment to expand Welsh language early years provision, by contributing to the development of qualified staff for Welsh-medium childcare.

It is, however, important to note that other organisations across the public, private and third sectors also play key roles in supporting the childcare and play sector, and the workforce. These include local authorities, umbrella bodies and individual employers,



all of whom offer training and support programmes and invest in the sector and the workforce locally.

### **Recommendation 8**

The Committee recommends that:

The Welsh Government must provide this Committee with 6- monthly updates on COVID recovery as it relates to children and young people, including any available data on COVID recovery health services and the impact of COVID recovery on educational provision (educational progress, attainment, inequalities, etc.).

### **Response: Accept**

The Renew and Reform programme was established to oversee the funding and support for schools/colleges and learners to promote wellbeing and progression, to address the challenges of the COVID-19 pandemic on learners. The programme was co-developed with partners, and seeks to provide funding to partners which is flexible and enables bespoke support for children and young people. The Recruit, Recover and Raise Standards programme is an ongoing commitment in the Programme for Government for this term. The key areas of focus – early years’ learners, post-16 learners, and vulnerable and disadvantaged learners – remain our priority and emerging and ongoing research supports both this focus and the emphasis on wellbeing as a platform for enabling learning. The Renew and Reform programme is consistent and aligned with the Curriculum for Wales which will be rolled out from 2022. We anticipate reporting annually on how the Curriculum for Wales promotes and enables learner progress and attainment and will update the Committee on the specific issues around COVID recovery and educational progress at the interim six month mark.

The Post-16 and Transitions Project will continue to work collaboratively with learning providers to ensure learners continue to get the support they need as they progress in the future pathways through education, training or into employment. The team will be evaluating the funding to date and future funding made available through the project. We accept the recommendation that we should report to the Committee on progress.

We will be able to provide a six monthly progress of planned care waits for children 0-16 and 17-18yrs against the national recovery targets due April 2022. We expect health boards to ensure through their local plans that children’s waiting times follow the national recovery targets.

### **Recommendation 9**

The Committee recommends that:

The Welsh Government must publish its response to the Sibieta review of school funding and set out how it will take forward the recommendations.

### **Response: Accept**

The Review of School Spending in Wales, has been valuable in providing an in-depth analysis and recommendations of how the school funding system can be adapted to best support policy goals and ambitions to improve the school system in Wales.

The review highlights the complexities in the system, but also how these complexities reflect local authorities’ ability to target funds where there are higher needs and where extra funding can have the best effects.

The Welsh Government will shortly provide an update on its response to the review and how it is taking the recommendations forward.

### **Recommendation 10**

The Committee recommends that:

The Welsh Government must clarify how the Minister for Education and Welsh Language works alongside the Minister for Finance and Local Government and local authorities to ensure that schools receive sufficient funding to deliver on the Welsh Government’s policy commitments.

**Response: Accept**

Providing local government with the best possible settlement, which delivers the majority of local authorities' core funding for education, has been central to our budget preparations. The Minister for Education and Welsh Language continues to have discussions with the Minister for Finance and Local Government to ensure the budget settlement for education is sufficient to support delivery of our priorities.

Our priorities are clear and are shared across Government: raising standards for all, reducing the attainment gap and delivering an education system that is a source of national pride and public confidence.

The Welsh Government discusses and agrees the overall level of funding to local government through the local government settlement and specific grants. As part of these discussions the Minister for Finance and Local Government meets with the Minister for Education and Welsh Language and all other Ministers to discuss priorities.

The Minister for Finance and Local Government regularly meets with local Government elected representation through the Finance Sub Group of the Partnership Council for Wales. The Minister for Education and Welsh language also attended the Finance Sub Group specifically to discuss and engage with local government on schools funding as part of our annual discussions on the budget. Consideration was given to funding from Welsh Government through both un-hypothecated and specific grants, so that the pressures on local authorities across a range of services including schools can be evidenced. The minutes for this group are published on the Welsh Government website.

The Minister for Education and Welsh Language is engaged in regular discussions with local authorities and other education stakeholders. The Minister does and will continue to emphasise the importance of ensuring funding reaches front line schools.

As the local government settlement is un-hypothecated, it is up to authorities how they spend this funding according to local needs and priorities. The settlement funding formula takes account of the relative need for authorities to spend across all services,

given the amount of funding available for distribution and the relative ability of authorities to raise income locally, through council tax.

Whilst local authorities are responsible for setting school budgets and this accounts for the vast majority of the funding schools receive, we continue to provide significant additional grant funding over and above the core funding for all schools through local authorities. Our overall investment in specific grants to local authorities across our Education and Welsh Language budget to support improved outcomes for learners in Wales totals over £500m revenue from 2022-23. This includes funding through the Local Authority Education Grant, the Regional Consortia School Improvement Grant, Pupil Development Grant (PDG), Sixth form provision, and Youth Support Grant.

### **Recommendation 11**

The Committee recommends that:

The Welsh Government must ensure that the Pupil Development Grant continues to be used to develop and deliver targeted interventions that benefit children from low income families and care experienced and adopted children.

### **Response: Accept**

The Welsh Government has mechanisms in place for regular in-year monitoring. This includes:

- termly Challenge and Review meetings whereby consortia report to the Welsh Government and are held to account for the management of PDG and delivery of results; and
- half termly meetings between officials and the consortia PDG strategic advisers, which focus on implementation included targeted interventions, impact monitoring and peer mentoring.

The appointment of PDG strategic advisers has enhanced the role of the consortia. Their focus on the needs of disadvantaged learners strengthen the support provided to schools. Our aim is to ensure the advisers have access to the necessary tools, including best practice, research, and data to raise the educational attainment of our

most vulnerable learners. Importantly, they will also be required to strengthen collaboration across Wales to ensure that good practice is shared and built upon.

Evidence from PDG Leads indicates the way schools spend PDG has evolved from inception, to more evidence based, whole school interventions. Therefore, whilst the grant is aimed at providing targeted interventions for eligibility for free school meals (eFSM) and looked after children (LAC) the grant may also be used for whole-school strategies which can benefit all learners. These strategies will disproportionately benefit eFSM and LAC learners, but will also benefit other learners living in poverty, but that are not eFSM, along with the wider school population.

The development of an equity strategy is underway, aimed at progressively reducing inequalities in educational outcomes associated with socio-economic disadvantage. As part of this, we will consider how funding through the PDG can be used most effectively to support this aim. This review will consider existing requirements, for regions/LAs to evidence how they support schools to adopt evidence-based know to work in reducing the impact of poverty on educational outcomes, such as:

- up-skilling staff so they use pedagogical approaches known to be most effective for learners from disadvantaged backgrounds, including in a blended learning context;
- using effective diagnostic and tracking systems to tailor support; and
- using research and evidence to make informed decisions including using the Education Endowment Foundation's Teaching and Learning Toolkit which provides analysis of current interventions and approaches in an accessible way for practitioners based on cost and impact.

We continue to support looked after children and formerly looked after children, including those adopted from care, annually through the Pupil Development Grant for Looked after children (PDG-LAC). The Regional Education Consortia administer this grant in collaboration with local authorities and schools.

As well as direct funding to support care experienced children, the funding includes provision for Regional Lead Coordinators for looked after children. The Coordinators

work closely together and with Welsh Government to ensure the impact and value for money of PDG-LAC is maximised.

PDG-LAC funding is based on £1,150 per looked after child; however the funding is not ring-fenced for each child. This approach enables Consortia, working with partners, to determine the most effective, strategic interventions to support care experienced young people regardless of care or school placement changes.

In order to ensure the maximum effectiveness of the grant, build capacity and facilitate sustainability there continues to be a strong focus on cluster working. This approach enables a more strategic sharing of resource and practice and can also bring about economies of scale to allow the grant to go even further to support these learners.

### **Recommendation 12**

The Committee recommends that:

The Welsh Government must clarify details about the expansion of the Pupil Development Grant Access scheme, including any changes to eligibility criteria (including to year groups), how much funding will be available to eligible pupils, when the changes will take effect and the likely cost impact.

### **Response: Accept**

The PDG Access grant has made a huge difference for many disadvantaged families across Wales, removing the worry surrounding the purchase of school uniform and equipment, allowing children to attend school and take part in activities at the same level as their peers. All those learners currently eligible for PDG Access, will continue to be eligible, as if they were still applying for FSM and we will ensure this is clearly communicated to families.

In 2021-22 we secured additional funding from the COVID-19 Reserve to support families with the cost of the school day. This funding has allowed us to fund eligible pupils in every school year in primary and secondary schools, increasing funding for PDG-Access to nearly £13m.

The grant is now available to learners eligible for Free School meals or Looked After in every compulsory school year (Reception – Year 11). It is paid through local authorities at a rate of £200 for learners starting secondary school (year 7) and £125 for all other years. We are continuing that support for all year groups into 2022-23, but are going further by providing a one-off top up payment of £100 for every eligible learner in recognition of the extreme pressures facing many families along with the looming cost of living crisis. The additional funding was allocated in the 2022-23 Final Budget published on 1 March, enabling us to support more families affected by the pandemic.

### **Recommendation 13**

The Committee recommends that:

As soon as it is able to do so, the Welsh Government must clarify the following in relation to the Programme for Government commitment to extend eligibility for free school meals in primary schools:

- Whether there will be any changes to the eligibility criteria for the Pupil Development Grant or Pupil Development Grant Access
- What changes schools, local authorities and the Welsh Government will need to make to their administrative processes to ensure that schools receive Pupil Development Grant funding for all eligible children on roll, and how schools will be supported to make those changes during the transition period
- How the Welsh Government will ensure that all families eligible to receive Pupil Development Grant Access will continue to be able to claim that funding
- Details of what indicator(s) the Welsh Government intends to use instead of eligibility for Free School Meals for the purposes of data reporting, tracking pupil outcomes and the basis of its policies aimed at supporting the education of children from deprived backgrounds.

### **Response: Accept**

Currently, there are no changes proposed to the eligibility criteria for the PDG or PDG Access, but as outlined above, the grant has been extended to further year groups. Eligible pupils in all compulsory school years in primary and secondary schools are now able to benefit from the grant.

Future changes to how these grants are administered will be considered carefully as we roll out the Co-operation Agreement commitment to extend eligibility for free school meals in primary schools. In doing so, and where amendments may be required, families, schools, and local authorities will be supported to implement any changes and continue accessing their entitlements.

We know that free school meal eligibility goes on to inform a number of entitlements and the provision of support at both a national and local level. A number of actions are being taken to reduce turbulence to these as a result of any potential changes to the way in which eligibility for a free school meal is recorded.

At a national level, with programmes like PDG for example, while funding is allocated based on the number of learners eligible, the intervention is at a cohort level (and not associated with the provision of an individual entitlement). Further, each year's allocation is based on the preceding year's figures, so we anticipate that funding allocations can continue to be informed by eFSM figures (as currently defined and recorded) up to and including 2023-24. This will provide a period of stability in which we will work through options for either developing new indicators associated with disadvantage **or** continuing to use the current eligibility checking mechanisms in a different way.

However, with regard to PDG Access, the situation is not as straightforward. The funding allocations work in the same way as PDG so funding allocations can be calculated up to and including 2023-24 as with the PDG. However, PDG Access does represent an individual entitlement, so schools need a mechanism of identifying those who are able to claim. This situation is similar to other entitlements delivered locally that also use the eFSM identifier to confer an entitlement.

Welsh Government officials are in the process of exploring workarounds to this situation in partnership with local stakeholders. As set out, this might include the development of new indicators to replace eFSM at primary level or the continued use of the eFSM eligibility checking system.



All those learners currently eligible for PDG Access, will continue to be eligible, as if they were still applying for FSM and we will ensure this is clearly communicated to families. We will ensure that these issues are resolved and an interim solution is agreed prior to September roll out, so that we can be clear with stakeholders and families about what support they are entitled to.

At a local level we have provided £1.48m to local authorities in 2021-22 to begin the process of planning for rolling out the commitment. This includes giving consideration to how local arrangements or entitlements may need to change to reflect potential changes to the eFSM indicator.

#### **Recommendation 14**

The Committee recommends that:

The Welsh Government must confirm the anticipated cost of the expanded Free School Meals scheme, what its policy objectives are, and the policy rationale for prioritising this funding over other initiatives that target low income or care experienced children.

#### **Response: Accept**

Revenue funding of up to £200m over three years has been set aside within the Education and Welsh Language MEG budget for local authorities to manage the roll out of the universal primary free school meal commitment. This consists of £40m in 2022-23, £70m in 2023-24 and £90m in 2024-25 to support a staged approach to implementation. In addition, financial support of £1.482m has already been provided by Welsh Government in 2021-22 for local authorities to begin engaging with partners, auditing their workforce and infrastructure, and working out any other practical implications related to changes in free school meal eligibility. Further detailed analysis of costs associated with the universal primary free school meals commitment is underway in partnership with local authorities and is being informed by the detailed survey and audit work taking place at a local level. This will include giving further consideration to any associated capital funding requirements.

Our goals are informed by our understanding that younger children are more likely to be living in relative income poverty and our commitment therefore represents a transformational intervention in terms of tackling poverty and child hunger. However, evidence also points toward the wider benefits of free school meals, including raising the profile of healthy eating, increasing the range of food pupils eat and improve their social skills at meal times as well as improvements to behaviour and attainment.

More widely, and as set out in our Programme for Government and the Co-operation Agreement, in delivering this commitment we explicitly acknowledge the importance of increasing the supply of Welsh food onto the school plate to shorten supply chains and reduce carbon emissions, support local food producers and distributors and strengthen the Foundational Economy – building on the work already underway in this regard.

The decision to rollout universal primary free school meals was carefully considered and informed by our understanding of the pressures faced by children and families in this age range, as well as the longer term benefits that might be achieved through early intervention. In taking this action, an additional 196,000 younger children will become eligible to take up the offer of a Free School Meal in Wales.

However, this commitment was also developed in the context of our wider national effort to maximise fairness for all and eliminate inequality at every level of society. This includes significant additional investment, including through the Education portfolio, aimed at tackling deprivation and the impact it has on the life chances of all children and young people in Wales. Delivering the Co-operation Agreement commitment, therefore, does not come at the expense of providing other targeted and intensive support for those whose life chances are impacted on as a result of their socio-economic status. By way of example, funding for the PDG has increased year on year, in particular this financial year due to the pandemic and rising numbers of learners eligible for Free School Meals.

We will of course continue to consider our approaches and reflect on new evidence emerges or as budgets or delivery contexts change. I remain committed to keeping eligibility criteria for free school meals under review as we roll out this commitment

and will continue to look for opportunities for ensuring support reaches those most in need. We will continue to work closely with PDG regional representatives to identify those areas where funding can have most impact.

### **Recommendation 15**

The Committee recommends that:

The Welsh Government must clarify why it believes that the 'Curriculum and Assessment' and 'Teaching and Leadership' actions require less funding in 2022-23 than they do in 2021-22.

### **Response: Accept**

The Draft Budget 2022-23 was presented alongside the 2021-22 Final Budget. The 2021-22 first and second supplementary budgets included significant non-recurrent COVID-19 allocations in response to the pandemic and therefore is not a meaningful baseline comparison.

For the Curriculum Action, additional non-recurrent COVID-19 funding in 2021-22 included £9m to support learners in qualifications years, to support learning recovery and delivery of the alternative arrangements for qualifications undertaken in 2021. For the Teaching and Leadership Action, additional one-off COVID-19 allocations in 2021-22 included over £11m to support newly-qualified teachers' (NQTs) transition into teaching, given many trainee teachers across Wales missed the opportunity to gain experience as a result of schooling disrupted by the pandemic.

As we continue to respond to the pandemic and address the climate emergency we have prioritised resources in this budget to support the delivery of our ambitious Programme for Government. When compared to the 2021-22 baseline, used for comparative purposes in Draft Budget 2022-23, the Curriculum Action increases by £8.4m and the Teaching and Leadership Action by £15.7m in 2022-23.

Within the Curriculum Action, this includes an additional £3m from 2022-23 to support the implementation of our Programme for Government commitment to establish a

national music service. An extra £5.3m in 2022-23, tapering down in future years, will continue to take forward the commitment set out in our Programme for Government to support schools and settings to realise our world-leading Curriculum for Wales, while also addressing well-being and learner progression needs. Within the Teaching and Leadership Action the funding for 2022-23 that will support initial teacher education, professional learning and leadership will remain the same, with an additional £1m being allocated to support our aim to increase the number of Welsh-medium teachers, with further increases of £0.5m in 2023-24 and £2m in 2024-25.

### **Recommendation 16**

The Committee recommends that:

The Welsh Government must clarify how much of the funding it has allocated for Additional Learning Needs is earmarked to meet existing pressures, and how much is reserved to implementing the Additional Learning Needs and Educational Tribunal (Wales) Act 2018.

### **Response: Accept**

Within the Additional Learning Needs BEL of the Education and Welsh Language MEG, we are investing an additional £7m from 2022-23, taking total funding to support children and young people with ALN to over £21m per annum from 2022-23.

The additional £7m per annum will be allocated to local authorities and education settings, specifically intended to ensure that children and young people with ALN get the provision they require. Taken together with the existing budget, it will mean a total of £14m to support our delivery partners to identify and meet the needs of children and young people with additional learning needs, therefore successfully implementing the Additional Learning Needs and Educational Tribunal (Wales) Act 2018 from 2022-23.

The remaining £7m budget will deliver upon a national implementation programme which includes national implementation leads, professional learning and research. This builds upon the previous transformation programme and will provide national strategic leadership to deliver upon the ambitions of the ALN reform.

## **Recommendation 17**

The Committee recommends that:

The Welsh Government must:

- provide this Committee with updates on the progress of its work focusing on overcoming challenges to delivering one million Welsh speakers by 2050; and
- publish an assessment of the current capacity of the workforce to support the Welsh Government to deliver one million Welsh speakers by 2050.

### **Response: Accept**

Progress against the [Cymraeg 2050 Work Programme for 2021 to 2026](#) is monitored annually through a process which includes the publication of an annual Action Plan at the beginning of the financial year, followed by an Annual Report at the year end to report back on the actions detailed in the Action Plan. The Action Plan for 2022-23 financial year is due to be published later in March. Regular reviews to monitor expenditure and outcomes are undertaken to ensure that any available resources are reprioritised to deliver the strategy.

Welsh Government is currently working with stakeholders to develop a 10-year plan for the Welsh in Education workforce. This plan will align with the local authority Welsh in Education Strategic Plans and will include an analysis of the current capacity of the workforce as well as future capacity needs in order to respond to local authority plans for expanding Welsh-medium education.

## **Recommendation 18**

The Committee recommends that:

The Welsh Government must clarify how much of the additional £11m allocated to the Post-16 Provision BEL when compared to the 1st Supplementary Budget is to enable FE providers to accommodate additional learners during 2022-23, and how much is for other purposes.

### **Response: Accept in Principle**

The Draft Budget 2022-23 was presented alongside the 2021-22 Final Budget. The 2021-22 First Supplementary Budget included significant non-recurrent allocations in response to the pandemic and therefore is not a meaningful baseline comparison. The Draft Budget plan reflects the ambitions in the Programme for Government and is responsive to the current priorities for the sector. It includes an additional allocation of £52m in 2022-23, compared to 2021-22 Final Budget, to support further post-16 learners' provision. This includes: £3.2m as a commitment to the 2021/22 academic year transition funding; £21.4m for renew and reform activity; £26.9m to reflect post-16 demographic changes (including funding for a potential 2022/23 pay award); and £0.5m to increase funding for Personal Learning Accounts.

### **Recommendation 19**

The Committee recommends that:

The Welsh Government must carry out a review of both the EMA award and the income eligibility threshold to establish appropriate rates that provide the same benefits for the same proportion of learners and their families as they did when the EMA was introduced in 2004.

### **Response: Accept in Principle**

Officials have carried out initial scoping work to ascertain the budget required to increase the allowance rate to £45 per week and to increase the household income thresholds to align with those published in the [Bevan Foundation report](#)<sup>1</sup> in February 2020. Based on the current number of learners going through the system (20/21 figures), this increase alone would require around an additional £15m per year (the current EMA budget is £16m).

The evaluation of EMA in 2014 confirmed that EMA was a welcome allowance and more than half of FE students at the time were benefitting from EMA, however, it also concluded that the majority of students who contributed to the review (80%) stated

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<sup>1</sup> £25,161 for households with one dependent child and £27,892 for households with more than one dependent child.

that they would have enrolled on their course without EMA and that EMA is an essential source of financial support for only the minority of students. They found no evidence to suggest receipt of EMA increased the rate of those going on to study at HE level, although this was balanced by practitioners reporting better attendance of those in receipt of EMA.

The recommendations of the evaluation concluded that EMA be maintained at £30 but should be better targeted at those students who are most in need, potentially by reducing the income assessment thresholds. No change was made to policy to reflect this recommendation although it can be said that the static nature of the thresholds since the evaluation have provided for this.

Officials in KAS will continue the work to understand what the allowance rate and income thresholds would look like today, for the same proportion of learners when compared to 2004, and how much additional budget that would require. This will be scoping work and does not demonstrate a commitment to implement changes.

### **Recommendation 20**

The Committee recommends that:

The Welsh Government must clarify:

- the policy rationale for not increasing the EMA rate of £30 per week since 2004, which has resulted in a significant depreciation of the value of the award; and
- the impact of changes (or lack thereof) to the EMA income threshold on the proportion of learners able to claim the EMA since 2011-12 (i.e., data setting out the number of learners claiming the EMA against the total number of learners and the income threshold for each year).

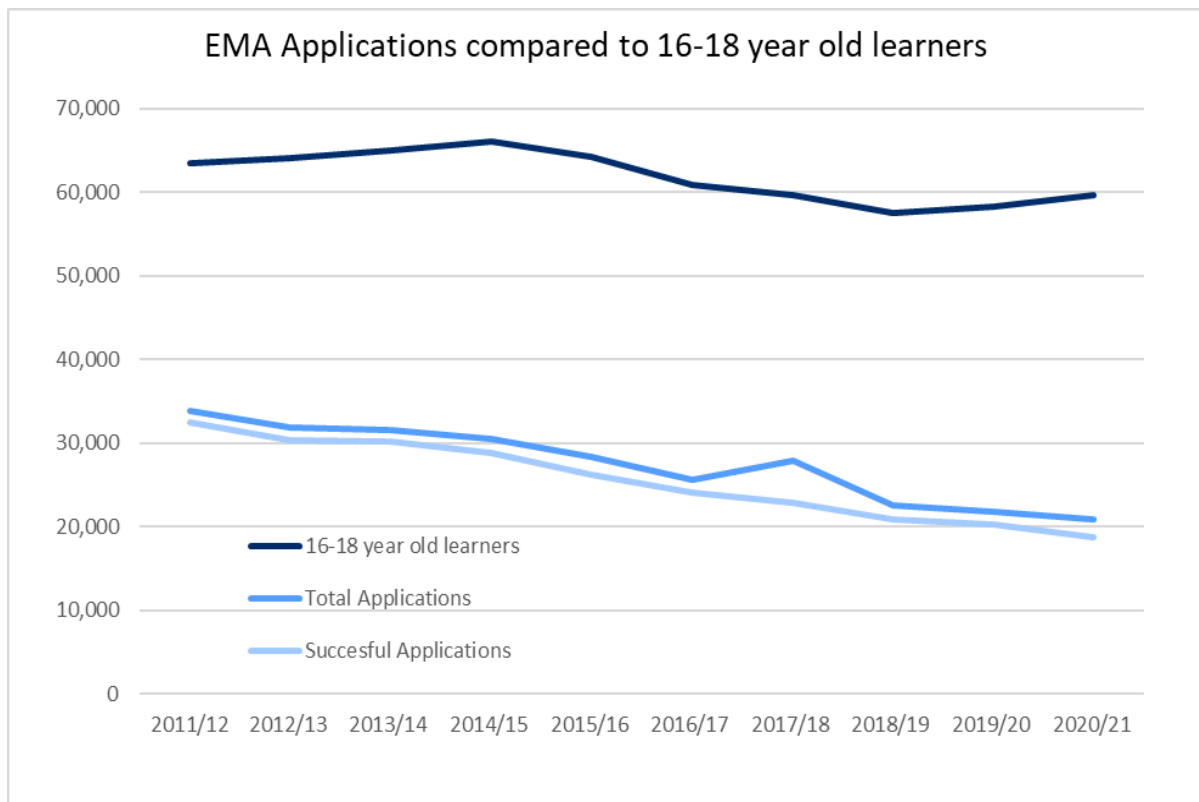
### **Response: Accept**

There has been no active policy decision to not increase EMA. The constraints around increasing the rate of allowance and the thresholds of household income assessment rest with the budget available.

When responding to questions in December 2021, the First Minister made it clear that, with the new commitments as a result of the Co-operation agreement alongside existing commitments within the education sector, new money would have to be made available to cover the cost of increasing EMA and the income thresholds. This money is not currently available without cutting funding elsewhere.

We are not able to determine the exact impact of the unchanged income thresholds as detailed income data is not readily available. However, we have estimated that earnings have increased by 26% since 2011 so it is likely that the unchanged threshold has contributed to a reduction in the number of learners eligible for, and claiming EMA.

Whilst we do not have data on the number of eligible households, the chart below shows the number of 16-18 year old learners against the number of EMA applications. The chart shows that the number of 16-18 year old learners has decreased by 6% since 2011 but the number of EMA applications has decreased by 39%.



Note: In 2017/18, a number of candidates were incorrectly included in the total EMA applications figure.



## **Recommendation 21**

The Committee recommends that:

The Welsh Government must clarify why the demographic changes that are likely to lead to more learners in Further Education from 2022-23 onwards have not resulted in an increased budget for the EMA.

### **Response: Accept**

The EMA budget is not forecast to increase despite the forecast increases for the FE population. The budget forecast model does not rely heavily on the FE population data because population has previously been a poor predictor of EMA payments. The chart under our response to recommendation shows that EMA applications do not closely follow the demographic trend. However this could be as a result of the unchanged income thresholds so the forecast model will be reviewed in line with any changes to the EMA scheme.

## **Recommendation 22**

The Committee recommends that:

The Economy, Trade and Rural Affairs Committee and the Children, Young People and Education Committee jointly recommend that the Welsh Government should set out a breakdown of the contributions from each Main Expenditure Group, at Budget Expenditure Line level, that combine to make the total £500m estimated funding required to deliver the Young Person's Guarantee. This breakdown should make it clear what is new funding and what is a continuation of existing programmes.

### **Response: Accept**

We are investing over £500m in the Young Person's Guarantee in 2022-23. This will be made up of:

- £20m in new funding that has been allocated in the Economy MEG to the Employability including Young Peoples Guarantee BEL to support the expected

new Young People Not in Education, Employment or Training (NEET) cohort in 2022-23.

- £513.8m in existing funding will continue to support those 16-24 NEETS through numerous interventions, and underpinned by the Working Wales advice service, delivered by Careers Wales. The estimated contribution by MEG is:
  - £463.5m in the Education and the Welsh Language MEG;
  - £47.9m in the Economy MEG; and
  - £2.4m in the Finance and Local Government MEG.

Details of the funding by Budget Expenditure Line (BEL) level is shown in the table below:

BEL	Education & Welsh Language MEG £000	Economy MEG £000	Finance & Local Government MEG £000	Total £000
Post-16 Provision	463,500			463,500
Employability including YPG		44,000		44,000
Communities for Work		790		790
Children & Communities Grant			2,400	2,400
Parents Childcare & Employment		600		600
Business Wales		2,500		2,500
<b>Existing budget</b>	<b>463,500</b>	<b>47,890</b>	<b>2,400</b>	<b>513,790</b>
Employability including YPG		20,000		20,000
<b>New budget</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Total budget</b>	<b>463,500</b>	<b>67,890</b>	<b>2,400</b>	<b>533,790</b>

### **Recommendation 23**

The Committee recommends that:

The Welsh Government must set out clearly how it plans to work alongside stakeholders, learners and employers to stimulate demand for, and uptake of, Degree Apprenticeships across a range of sectors.

### **Response: Accept**

We intend to work closely with the Higher Education Funding Council for Wales (HEFCW) and other stakeholders to scope the expansion of the degree apprenticeship programme. Expansion is expected to be focussed on existing programmes in Digital/ICT and Advanced Manufacturing as well as the development of new pathways informed by Regional Skills Partnership's employment and skills plans, the outcomes

of the programme evaluation, investment priorities and budget. The evaluation includes gathering views of learners. We are already working with HEFCW to improve the marketing of degree apprenticeships to stimulate both learner and employer demand, with a particular focus on programme reach.

#### **Recommendation 24**

The Committee recommends that:

The Welsh Government must provide the Committee with 6 monthly updates on the progress of the implementation of the ILE programme, including information on how the Welsh Government is promoting the programme to learners in Further Education.

#### **Response: Accept**

At six monthly intervals, the Welsh Government will update the Committee on progress and promotion of the recently renamed Taith programme for each year of its duration.

In preparation of applications opening on 4 March, Welsh Government is working with ILEP Ltd (the delivery organisation and subsidiary of Cardiff University) to coordinate respective communication and marketing strategies, to ensure that the benefits and opportunities available through Taith are promoted to learners and staff across all education sectors, including FE.