

Children, Young People and Education Committee

Title: Scrutiny of the Welsh Government's draft budget 2023-24

Views on the Draft Budget

1. As a Welsh Government, we will continue to work to prioritise our budgets to shield the most vulnerable and maintain our commitment to create a stronger, fairer and greener Wales as we prepare our draft Budget 2023-24. There is no doubt, however, that this has been a challenging budget, the most challenging since devolution.
2. We have published our Strategic Integrated Impact Assessment (SIIA) of the Draft Budget which outlines the contextual evidence that has supported our spending decisions, including those related to children and young people. The SIIA is just one of a suite of documents published as part of our Draft Budget, with the impact of spending decisions outlined as part of the main narrative in chapter four, complemented by the SIIA at Annex A. Following publication of the Draft Budget we will publish an extensive summary of all Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG; this will provide a more detailed account as to how Draft Budget decisions have impacted on different groups.
3. The Budget Improvement Impact Advisory Group (BIIAG) formerly the Budget Advisory Group Equality (BAGE), was set up in February 2022. The role of the Group is to provide advice, feedback and evidence from an equalities and inclusion perspective to ensure that budget and tax processes improve over the longer term, to better align funding to outcomes including. The Group is primarily intended to support delivery of the Welsh Government Budget Improvement Plan (BIP). The BIP is committed to exploring how we can better improve our approach to assessing the impact of Budget decisions. We are currently working with Children in Wales, Young Wales Project Board to co-produce a Young Person's version of the BIP which will be published in December 2023.
4. People across Wales are facing an uncertain future as a result of this unprecedented cost-of-living crisis. Families with children are more likely to be impacted than those without.
5. Those who will be most affected will be children from a household that has protected characteristics:
 - This includes children and young people who are disabled or live in a household with a disabled person
 - Black, Asian or minority ethnic children
 - Children in single parent households
6. In addition, families that are more at risk from the cost of living crisis include:
 - Households where the children are young
 - Children who live in larger families where there are more children
7. As part of this year's 2023-24 Draft Budget a number of allocations have been made respect relating to Children and Young People. This includes continuing our

commitment to support the Pupil Deprivation Grant with an additional allocation of £9m in 2023-24. This is designed to help children and young people from lower income households and looked after children overcome the additional barriers that prevent them from achieving their full potential.

8. Schools in Wales are directly funded by local authorities – funding for schools is mainly provided through the local government settlement. As a result of the decisions we are taking, we are providing an additional £227m in 2023-24 and £268m in 2024-25 to the local government settlement which will include support for schools; this builds on the £0.75bn we outlined up to 2024-25 as part of our 2022 – 2025 Spending Review.
9. In addition to funding we are providing for schools via the Local Government Settlement, we are providing extra funding through Education budgets with an additional £5.5m to support the continuation of the Recruit, Recover and Raise Standards (RRRS) Programme in line with our Programme for Government commitment and a further £4.5m to support implementation of the Additional Learning Needs Act as part of our long-term programme of education reform. In addition, we are providing an additional £9m to support post-16 provision, including a review of Renew and Reform funding and other distinct pressures for school sixth form and FE sector.
10. We have also been able to make an allocation of £18.8m for the Discretionary Assistance Scheme and an allocation of £2.2m for the Basic Income Pilot. Data suggests that 50% of DAF payments are made to households with children. The additional support will ensure that this funding continues to be in place when individuals and families across Wales are facing unprecedented costs for the most basic of things, such as food and fuel. The basic income pilot is a radical intervention, supporting a group of young care leavers with an income of £1,600 (before tax) every month. We continue to support the pilot, which will run for the next two years and are allocating an additional £2.2m in 2023-24.

Working across Cabinet to ensure budget advance equality and social justice

11. As a Cabinet we are committed to promoting equality and social justice; these issues are considered through the cost-of-living Cabinet Sub-Committee as well as the Programme for Government Cabinet Sub-Committee.
12. In March this year, I took a paper to Cabinet on cross-government measures for tackling poverty. My cabinet colleagues gave their unequivocal support. I held a series of follow up bilateral meetings to discuss what more we can do across government to tackle poverty and inequality. The Minister for Education and Welsh Language presented at the most recent Tackling Poverty and Cost of living Summit in November and the Minister for Climate Change and Minister for Finance and Local Government have also contributed at the Summits we have held in 2022. The Deputy Minister and Social Services and I have held a number of joint meetings with stakeholders as our commitment to improving outcomes for children and young people are inextricably linked.

Child Poverty

13. Ministers are committed to achieving the objectives which focus on reducing the number of children living in workless households, increasing the skills of parents and

young people, reducing inequalities in education, health, and economic outcomes, creating a strong economy and labour market and action to increase household income.

14. As you are aware, the Cost of Living Cabinet Sub-committee, which is chaired by the First Minister, provides strategic direction to our response to the cost of living crisis. The Committee is focusing Welsh Government efforts, and those of our partners, in improving outcomes for low income households and ensuring a joined-up approach across portfolios.
15. Our Child Poverty Strategy sets out the Welsh Government's objectives for tackling child poverty through a focus on what we know works well using the levers available.
16. We will report on progress in achieving our child poverty objectives before the new year. I have given a commitment to refresh the current strategy. While the objectives remain relevant, the strategy itself does not recognise the impact of the pandemic, our exit from the EU or the cost of living crisis on poverty.
17. The new strategy will set out the collective approach we are taking as a Government to tackle child poverty. I will be taking a paper to Cabinet in January which will provide an opportunity to discuss our approach further.
18. The costs associated with developing the refreshed strategy will be minimal. They will relate to stakeholder engagement and steps taken to ensure that stakeholders and organisations, people and communities and children and young people can have their say. Funding will be allocated to support us to take steps to ensure that the voices of those most disadvantaged by poverty, have their voices heard.

Educational outcomes, Pupil Development Grant and attainment gaps

19. Countering the effects of poverty on children and young people's attainment is central to our flagship Pupil Development Grant (PDG). Year on year we have extended the PDG to reflect the increase in eFSM learners, with funding for 2022-23 at over £130m. This includes the Early Years PDG (EYPDG).
20. The current cost of living crisis and economic downturn is having an impact on lower income households. Building on the additional £20m allocated as part of last year's Spending Review, we are allocating a further £9m to the PDG from 2023-24 to support our most economically vulnerable learners.
21. We continue to work closely with PDG regional representatives to identify those areas where funding can have most impact, particularly in the context of the recommendations from the Review of School Spending in Wales report; prioritising additional funding for more deprived schools; and working with local authorities on ensuring more consistent and transparent school funding formulae.
22. We have made it clear that tackling the impact of poverty on attainment is at the heart of our national mission in education. The PDG has a key part to play in achieving this and we will build upon existing effective practice by ensuring that we target the funding as well as possible. Whilst ultimately the use of the PDG should be decided by schools, these decisions need to be more strategically influenced, better grounded in evidence and rigorously monitored for impact. To that end, we

have updated the terms and conditions of the grant and will be producing new guidance for schools on the use of the PDG working closely with the Education Endowment Foundation.

23. We are working with Bangor University who are undertaking research on the Effective Targeting of School Deprivation Funding in Wales. The key aims of the research project are to:
- Review how PDG is used in Wales and how similar grants are used in other parts of the UK.
 - Review the main indicators schools use to target funds and design interventions.
 - Evaluate how reporting impacts on learners, school staff and learner outcomes.
 - Review and make recommendations on appropriate measures and evidence of outcomes.
 - Identify what further work is required to ensure future policy making, resource allocation and targeting of resources at school level are fully optimised and evidence based.
24. Looked After Children are among our most vulnerable children and young people. In addition to support via the PDG, since 2021-22 we have provided start-up grant funding to a number of local authorities across Wales to implement a Virtual Schools model which aims to improve the educational experiences and outcomes of both looked after children and previously looked after children. The budget for 2022-23 is £1.1m and this is an ongoing pilot which will continue into its final year in 2023-24.
25. We have identified a small group of leaders to work as Attainment Champions who will provide focused peer to peer support to headteachers in schools involved in the pilot, attend round table discussions on lessons learnt, provide insights on their experience and advocate for this important policy area. This is a supportive and self-selecting pilot, working with headteachers who have demonstrated sustained progress addressing the impact of poverty on educational attainment, have experience of mentoring and capacity building and insight into the increasing pressures of the cost of living on parents and families. The pilot will see system leadership in action and is focussed on what we can learn about this supportive approach to inform future policy and practice. The pilot is being delivered by the National Academy for Educational Leadership and we are providing £157,600 for this work
26. The Programme for Government 2021-2026 commits the Welsh Government to: *Invest in the learning environment of Community Focused Schools, co-locating key services, and securing stronger engagement with parents and carers outside traditional hours.* This is a key part of delivering educational equality through our policy for tackling the impact of poverty on educational attainment. It is equally part of our aim to build communities that are thriving, empowered, and connected.
27. Our ambition is for all schools in Wales to be Community Focused Schools - responding to the needs of their community, building a strong partnership with families, and collaborating effectively with other services.
28. In 2022-23 we have invested:
- £3.84m in increasing the number of family engagement officers employed by schools, with part of their role to be focused on improving pupil attendance;
 - £660k to trial the appointment of community focused schools managers; and

- £20m of capital investment to allow schools to develop further as community assets, making the school more accessible and open to its local community.

Minority Ethnic, Gypsy, Roma, Traveller Grant (MEGRT)

29. We understand the particular language and cultural barriers children from ethnic minority and Gypsy, Roma and Traveller backgrounds can face, which is why it is crucial they receive support to reach their full potential.
30. We have provided a total of £11m to local authorities in 2022-23 via the Minority Ethnic, Gypsy, Roma Traveller (MEGRT) grant to fund local authority support services, with funding being maintained for 2023-24. This funding supports the educational needs of all children and young people from ethnic minority communities, including Refugees and Asylum Seekers. This funding recognises the important role local authority services provide in supporting children and young people, and the sustained increase in numbers of minority ethnic learners with English or Welsh as an additional language, who need support.

Digital Inclusion in schools

31. As part of our 'Stay safe. Stay learning' programme, Wales was well positioned to support all learners with remote learning and quickly established support for digitally excluded learners in maintained schools through the foundations established by the Hwb EdTech programme.
32. The Education Policy Institute recognised the Welsh Government's digital strategy, existing infrastructure and collaboration with local authorities as key enablers for schools across Wales to deliver digital learning, particularly during the pandemic.
33. Digital equity is of paramount importance and the Welsh Government is committed to identifying new opportunities to support schools and local authorities to improve standards and reduce the impact of education on households, such as providing the all Wales Microsoft Education licensing agreement to allow all learners and teachers to download Microsoft Office at home **for free**.
34. Welsh Ministers are also fully committed to maintaining support for the Hwb EdTech programme to ensure that all maintained schools have equitable access to online tools and resources which can be accessed anytime, anywhere. The Welsh Government has invested over £180 million, including a further £10million this financial year, to future proof education technology infrastructure; provided over 230,000 end user devices, with significant work underway to refresh the teaching and learning tools and peripherals across Wales to help deliver the Curriculum for Wales.
35. Schools across Wales can also benefit from the Hwb digital learning platform, which is helping to improve the use of digital technology for teaching and learning. Hwb provides all learners and teachers in maintained schools, as well as other education stakeholders, such as trainee and supply teachers, with access to a range of bilingual digital infrastructure, tools and resources that are helping to transform digital teaching and learning in Wales. The Hwb digital learning platform has been designed to ensure the resources, tools and services can be accessed anywhere, anytime from an internet connected device.

36. Through these initiatives the Welsh Government have provided national foundations capable of supporting and delivering real transformation to the Education sector. It also ensures digital is at the heart of the Curriculum for Wales and provides support to schools to inspire our teachers and learners to create a culture which embeds digital practices.

Financial inclusion and its link with the new curriculum

37. Financial Inclusion and the Financial Wellbeing Delivery Plan for Wales aligns closely with the new curriculum in delivering learning for children from 3 to 16 years of age.

38. [The Delivery Plan for Wales](#) provides activities that aims to help 90,000 more children and young people in Wales getting a meaningful financial education and was co-produced by Welsh Government and Money and Pensions Service (MaPS).

39. Financial education is any activity that helps children and young people develop the knowledge, skills, and attitudes they need to manage their money well in later life. Financial education has very strong links to most aspects of future/adult financial wellbeing. The Well-being of Future Generations Act 2015 gives Wales the ambition, permission, and legal obligation to improve social, cultural, environmental, and economic wellbeing.

40. The following actions are contained in the Financial Foundations section of the Plan:

- supporting credit unions to provide school savings schemes to increase the number of school-age children saving regularly supporting financial resilience. Welsh Government is currently supporting four credit unions to deliver school savers projects within Merthyr Tydfil, Swansea, Neath and Port Talbot, Cardiff, and Bridgend. Different delivery methods are used – some schemes are children led maximising the learning opportunities, some teacher/volunteer led and others run by a dedicated school's officer;
- delivers the bilingual Your Money Matters textbook to all secondary schools in Wales and will evaluate its impact; and
- Financial education in the home, in government training programmes and in other youth settings is also a priority. Talk, Learn, Do (TLD) was developed and piloted in Wales. It helps parents/carers have conversations with children about money with the aim of improving financial capability. The TLD programme will also be expanded to include content for teenagers and young people, enabling parents of older children to support their transition into adulthood. Digitise Talk, Learn, Do (TLD) content Scope and engage a digital agency to create and publish TLD content digitally.

41. The teacher training pathfinder being delivered by Young Money in partnership with the Welsh Government addresses the limited support for teachers in delivering financial education. The aim is to continue to promote the learning in Wales and

encourage more uptake for teachers to enhance teacher knowledge, skills, and confidence in teaching about money, and improve young people's financial capability. Findings from the Wales pathfinder were published in Spring 2022 with, E-Learning being delivered in Wales (research evaluation <https://maps.org.uk/2022/05/11/financial-education-professional-learning-for-teachers-in-wales-pathfinder-evaluation/>)

42. The aim is to launch in other three nations by the end of 2022, with teacher training to commence in Spring 2023, ready for evaluation and next steps planning by Autumn 2024.
43. Officials are working with the MaPS and the steering group to continually monitor the roll out of these actions given the landscape change post Covid, and in the context of the cost-of-living crisis.
44. The Delivery Plan is supported with input from over 90 stakeholders in Wales including banks, building societies, educational institutions, government departments and this joint working with MaPS is vital to its success. We continue to work in partnership on this delivery.

Higher education

45. We provide the most progressive student finance system in the UK by providing living costs grants to support to those who need it most. The highest levels of grant are targeted to those students from households with the lowest incomes. Ensuring all eligible students have access to the same maximum amount of funding creates parity of opportunity for Welsh students.
46. Support is available to those wishing to study a designated higher education course at a university or further education institute in the UK and covers study at undergraduate through to postgraduate.
47. We provide additional support for disabled students to ensure they benefit from the same higher education opportunities and study experiences as their non-disabled peers. A non-repayable grant of over £32,000 per academic year is available for non-medical help, mobility assistance, equipment and where necessary, upgrades to living accommodation. The grant is non-means tested and available to eligible undergraduate, postgraduate, full-time, part-time and distance learning students without reduction; support is based on the student's needs.
48. Eligible care leavers aged under 25 are not means tested and automatically receive the maximum maintenance grant available. Universities in Wales also support care leavers through various projects, bursaries, and work with specialist charities. This work is expected to continue.
49. Welsh Government listened to young carers and has worked with the Student Loans Company to improve guidance to practitioners. As a result, greater discretion in attendance management for carers was agreed, ensuring they were not unnecessarily penalised for absences while caring.

50. We also have grants available for those in higher education with caring responsibilities, including a Childcare Grant, a Parents' Learning Allowance and an Adult Dependents' Grant.
51. Students with dependants can also apply for additional means-tested grants (known as Grants for Dependants) to support them with any additional costs they incur. This includes childcare. Furthermore, in academic year 2022/23, we removed the restriction preventing students on distance learning courses accessing these grants in recognition of the increase in blended learning and students seeking part-time study to help balance study and existing commitments. This is now available to new and continuing students.
52. We recognise that many students studying in Wales will not have access to our generous package of student support but the funding we have provided, to bolster hardship funds and mental health services and other support during the pandemic, and other emergency support being offered to students during the current crisis is available to all students, including our international students.
53. Widening access to higher education and beyond makes a significant contribution to society and the economy of Wales, supports our efforts to tackle inequality, social justice, social mobility, economic upskilling and institutions' civic mission activities such as working with schools.
54. HEFCW's Widening Access Programme of Action sets out how it delivers its approach to widening access under a number of strategic themes. Carers feature as an under-represented cohort and one of HEFCW's strategic priorities is to: 'prioritise carers, looked after children and care leavers in Widening Access strategy development and implementation'. Actions towards this priority include:
- Reaching Wider Programme strategies and plans to demonstrate partnership working with FE, schools and other organisations to prioritise carers, looked after children and care leaver activities; and
 - publish fee and access plan guidance to encourage support for carers, looked after children and care leavers.
55. The Programme of Action is supported by HEFCW's Reaching Wider Programme (RWP). By working with priority schools, colleges and communities the RWP aims to increase higher education participation from priority groups and communities in Wales by raising educational aspirations and skills and creating innovative study opportunities and learning pathways to higher education.
56. Over the current strategy period (2022/23 to 2024/45) HEFCW plan to invest £2m annually to support RW Partnership strategies. In addition, higher education institutions fund their contribution to the RW Programme through fee and access plan investment of £1.7m annually, giving a total investment over the period of £3.7m annually from 2022/23.
57. The aim of the programme is to engage with primary and secondary schools; young people up to the age of 18; adults aged 21 and over with no HE qualifications, from the bottom two quintiles of the Welsh Index of Multiple Deprivation. The project also works with care experienced individuals and carers; people with disabilities; and people from ethnic minority backgrounds to help reduce barriers to education faced by these groups.

58. HEFCW have been remitted to continue to support institutions in achieving rapid and sustained progress in tackling racism and improving the experience of staff and students in HE regardless of their racial background. This includes institutions working towards the achievement of a charter mark as a demonstration of their commitment to eradicating racism and racial inequality at all levels within the sector
59. HEFCW has allocated funding for universities in Wales to support race equality in higher education. The purpose of the funding is to prevent inequality, tackle anti-racism, support culture change and contribute to delivering the Welsh Government's Anti-racism Wales action plan.
60. Our Anti-Racist Wales Action Plan, which was published following extensive consultation, includes specific actions for HE. The goals and actions we have set for HE build on the good work already being done within the sector and support their work to improve the experience of staff and students in HE regardless of their racial background.
61. All universities in Wales have hardship funds in place to support students in financial difficulty. Information about what support is available is provided on their websites and promoted through a range of channels.
62. Our universities have been taking steps to support their staff and students in dealing with the impacts of increased cost of living and other financial pressures. Measures being put in place include increased hardship funds, means-tested bursary schemes, short-term loans and crisis grants; warm study spaces; free or low-cost food and hot meals; on campus food banks; free period products; free online money and financial advice; free access to sporting and other activities; as well as increased mileage allowances for students on placements.
63. The steps being taking by our institutions, in addition to supporting their mental health and well-being, will help students to stay well and continue to engage with their studies, ensuring they able to succeed and achieve their ambitions and get the most out of their university experience.
64. Recognising the particular difficulties and challenges posed by the pandemic we allocated additional funding of £50m to HEFCW in 2020-21 to bolster support for students, particularly those facing financial, emotional or mental health difficulties. £10m was provided specifically for student mental health and well-being services and £40m to boost support for students facing financial hardship.

Allocations for the work of the office of the Children's Commissioner

65. Within a very challenging financial context, we are pleased to be able to provide the Children's Commissioner for Wales with an uplift to her budget.
66. This will enable the Children's Commissioner to carry out her important work as an independent human rights organisation in support of children's rights and entitlements and enabling their voices to be heard.

67. This funding will enable the new Commissioner to plan her work in line with the priorities shared with her by children and young people via her Ambitions for Wales survey. The results of that survey will be published in the new year. From the Committee's recent scrutiny of the Commissioner's Annual Report, the Committee is already aware of some of those concerns which are centred on children having enough money for the things they need.
68. We are pleased to be able to maintain the financial position of the Commissioner's office so that it can continue with its casework, participation activity, training and supporting the needs of all children in Wales.