



# Children, Young People and Education Committee

## Evidence paper on Draft Budget 2025-26 – Education Main Expenditure Group (MEG)

Evidence session: 16/01/25 09:30 – 11:00

This paper provides information to the Children, Young People and Education (CYPE) Committee on the Education Main Expenditure Group (MEG) proposals outlined in the draft Budget 2025-26, published on 10 December 2024. It also provides an update on specific areas of interest to the Committee.

# Contents

<b>1. Cross-cutting areas .....</b>	<b>4</b>
Transparency of budget presentation .....	4
Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations.....	5
Education priorities and other strategic priorities .....	5
Children’s rights and other cross-cutting considerations .....	8
Costs of legislation .....	8
Impact of the COVID-19 pandemic.....	9
Impact of cost of living pressures on delivery of education services.....	9
Budget monitoring and the current financial context.....	10
<b>2. Specific areas.....</b>	<b>11</b>
Funding for school budgets .....	11
Funding for school improvement and raising standards.....	12
The cost of living and reducing the impact of deprivation on educational outcomes .....	13
Education workforce .....	15
Curriculum reform .....	18
Emotional and mental health of children and young people .....	19
Pupil absence.....	20
Sport and physical activity .....	20
Support for Minority Ethnic and Gypsy, Roma and Traveller learners .....	21
Additional Learning Needs.....	21
Estyn.....	22
Qualifications.....	23
Welsh in education.....	23
Early years education and childcare.....	25
Youth work.....	26
Offender learning.....	26
Further education, sixth forms and adult community learning .....	27
Higher education, and post-16 student financial support .....	28
Other post-16 education provision.....	28
Young Person’s Guarantee.....	29

Capital funding for school and college infrastructure .....	29
Capital funding for childcare .....	31
Capital funding for the Community Focused Schools initiative .....	31
<b>3. Summary.....</b>	<b>32</b>
<b>4. Annexes.....</b>	<b>33</b>
Annex A – Education MEG breakdown by Action and BEL for 2023-24, 2024-25 and 2025-26.....	33
Annex B – Education MEG revenue allocations for 2025-26.....	41
Annex C – 2024-25 LAEG allocations by strand and local authority .....	42
Annex D – 2024-25 UPFSM allocations by local authority.....	43

# 1. Cross-cutting areas

## Transparency of budget presentation

The table below provides an overview of the Education MEG plans as published in Draft Budget 2025-26 on 10 December. This confirms increases in fiscal resource (revenue) of £83.5m (4.9%) and general capital of £28m (8.1%) and decreases in non-fiscal resource (non-cash) of £13.3m (4.8%) and Financial Transactions Capital (FTC) of £1.7m compared to the 2025-26 revised baseline.

Education MEG	Plans as per 2024-25 Final Budget Restated September 2024	Baseline Adjustments	Revised Baseline	Additional Allocations	Other Changes	Draft Budget (Dec 2024)
£000s						
Fiscal resource (revenue)	1,697,506	18,665	1,716,171	83,560	-50	1,799,681
Non-Fiscal resource (non-cash)	518,507	-237,569	280,938	3,131	-16,475	267,594
<b>Total Resource</b>	<b>2,216,013</b>	<b>-218,904</b>	<b>1,997,109</b>	<b>86,691</b>	<b>-16,525</b>	<b>2,067,275</b>
Capital	346,500	0	346,500	28,000	0	374,500
Capital - FT	2,102	-2,102	0	0	-1,701	-1,701
<b>Total Capital</b>	<b>348,602</b>	<b>-2,102</b>	<b>346,500</b>	<b>28,000</b>	<b>-1,701</b>	<b>372,799</b>
<b>Total Resource &amp; Capital</b>	<b>2,564,615</b>	<b>-221,006</b>	<b>2,343,609</b>	<b>114,691</b>	<b>-18,226</b>	<b>2,440,074</b>
Resource AME	6,584	-	6,584	-	-107,426	-100,842
Capital AME	1,285,227	-	1,285,227	-	67,936	1,353,163
<b>Total AME</b>	<b>1,291,811</b>	<b>0</b>	<b>1,291,811</b>	<b>0</b>	<b>-39,490</b>	<b>1,252,321</b>
<b>Total – Education MEG</b>	<b>3,856,426</b>	<b>-221,006</b>	<b>3,635,420</b>	<b>114,691</b>	<b>-57,716</b>	<b>3,692,395</b>

The baseline used for the 2025-26 Draft Budget is the 2024-25 Final Budget (restated September 2024) adjusted for recurring baseline adjustments for 2024-25 to support the 2024-25 public sector pay award and increases to pension contributions from April 2024 due to a change in rate called Superannuation Contributions Adjusted for Past Experience (SCAPE). There are further baseline adjustments associated with the non-cash provision budget for student loans in line with the adjustment made in the First Supplementary Budget 2024-25 and non-recurrent funding for Financial Transactions (FT) Capital. A breakdown of baseline adjustments is provided within the Education MEG summary at [Annex A](#).

### *Fiscal resource (revenue)*

Additional recurrent revenue funding of £73m is allocated to the Education MEG in 2025-26. Further non-recurrent allocations totalling £10.6m have been allocated, including £3.7m ring-fenced for VAT compensation on post-16 specialist placements in private special colleges which will be subject to 20% VAT from 1 January 2025 and £6.9m to support the annual service charges for Education Mutual Investment Model projects.

As requested by the Committee, a summary of allocations from central reserves is provided at [Annex B](#).

### *Non-Fiscal resource (non-cash)*

The reduction of £13.3m to the Education MEG's non-cash budget primarily relates to the return to reserves of £15.6m for Student Loans, reflecting the latest Office for Budgetary Responsibility (OBR) forecasts and the impact on the Resource Accounting and Budgeting (RAB) charge for the estimated cost to support the student finance system.

Excluding this transfer, there is a net transfer in from reserves of £2.3m, which reflects updated forecasts for depreciation and amortisation costs from sponsored bodies and the costs associated with the reclassification of budgets associated with the accounting standard for leases (IFRS16) adopted from 1 April 2022. Until now, these transfers have been formalised as part of a supplementary budget.

### *Capital*

We are investing an additional £28m capital into the Education MEG in 2025-26, of which the majority (£27.6m) will continue to support our successful school and colleges Sustainable Communities for Learning Programme. A further £0.4m is allocated to support the capital requirements of Medr, the Commission for Tertiary Education and Research.

There are no FT allocations in this budget for the Education MEG and the £1.7m reduction reflects the agreed repayment profiles in respect of loans issued in prior years under the Sustainable Communities for Learning Programme.

### *AME*

This budget is related to student loans which are demand led and sensitive to interest rate and other macro-economic factors. This budget is agreed with the Treasury each year and the AME draft budget figures reflect the forecasts submitted to the OBR in September 2024.

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

A breakdown of the Education MEG by Action and BEL is provided at [Annex A](#). This provides, as requested by the Committee, details on allocations for Final Budget 2024-25, First Supplementary Budget 2024-25, forecast 2024-25 outturns (period 6), and 2023-24 final outturns. As noted, the summary also includes the revised baseline changes and budget for comparative purposes.

A separate commentary by Action has not been provided this year as the key changes from 2024-25 are reflected in [Annex A](#) and [B](#), together with commentary on these changes reflected in both the 'cross-cutting' and the 'specific areas' sections of this paper. We are happy to provide this to the Committee at a later date if still required.

## **Education priorities and other strategic priorities**

Our funding decisions in this draft budget have been underpinned by our Government priorities. Clarity over how we use our resources effectively is central to delivering our priorities. Our priorities for Education are clear: improving attainment to boost standards in our schools and colleges and increasing attendance as a means of driving up

attainment for all children and young people. Curriculum and ALN reform remain central to this. To support our priorities we have prioritised funding for 2025-26 in this budget:

- An additional **£7m** is allocated to support school attendance to enable a package of interventions aimed at tackling disaffection, engaging families and supporting learners to attend education. This includes £6m to boost funding to local authorities via the Local Authority Education Grant (LAEG), to increase the number of Family Engagement Officers (FEOs), provide funding for Community Focussed Schools (CFS) and to support additional enrichment and engagement activities. A further £1m will be allocated to expand the School Holiday Enrichment Programme (SHEP) in line with our Programme for Government commitment with the programme now worth £5.8m next year. This underlines the commitment to increase attendance levels to at least where they were before the pandemic.
- Literacy and numeracy are the building blocks of learning and we are investing an additional **£10m** to support learning and attainment in these areas. This will provide essential funding for national support programmes to enhance teaching in literacy and numeracy, including phonics support, together with specific and targeted interventions to support learners struggling with literacy and numeracy. This recognises the importance of consistent and high-quality professional learning and support to raise standards for every child. It will also include funding of initiatives aimed at increasing the range and quality of information available nationally on learners' attainment. From this package of additional support, £2.5m will be allocated to local authorities through the LAEG to increase their capacity to support schools locally and to embed approaches delivered through the national programmes.
- An extra **£14.3m** will support delivery of Additional Learning Needs (ALN), including £10m via the reform strand of the LAEG, £2m for national consistency and upskilling of the workforce through national professional learning, and £2.3m to support learners in independent specialist post-16 placements.
- A boost in funding for school standards to help retain teaching and other school staff with an extra **£7.8m** through the School Standards strand of the LAEG.
- For tertiary education, an extra **£31.6m** is allocated, including an additional £29.2m through Medr to support forecast increases in participation in post-16 education and to ensure continuation of pay parity between schools and colleges, to maintain the highest standards and teaching quality wherever learners undertake their post-16 education. It will further support development of wellbeing and mental health support in further and higher education, to give learners the best possible support to remain in education.
- An additional **£1.6m** is being invested to support the Hwb national programme, ensuring access to appropriate digital tools and services for all learners and practitioners in maintained schools.

- The extra **£28m** capital in our educational estate will support standards by providing an environment that encourages higher attendance and attainment and supporting communities across Wales.

The additional funding in 2025-26 builds on the extra funding allocated in 2024-25 to support our priorities in Education.

We have heard regularly from teachers and from school staff. Our **sector wide improvement priorities** will underpin the improvements we all want to see and which are supported by this budget. This clear set of priorities will help us to manage workload, prioritise resources and focus our collective efforts on enabling real improvements for young people.

These budget proposals reflect my continuing commitment to protect and prioritise investment that supports preventative measures as far as possible. The spending decisions have not only considered how best to meet the current demand for services but have also focused on supporting interventions that are able to prevent problems arising in the future. This preventative approach is an important part of our planning for public services, both now and in the future.

We recognise the significant pressures schools and local authorities are under and appreciate the great efforts of the school workforce as they continue to operate in such challenging circumstances. As part of budget preparations, the Cabinet Secretary for Finance and Welsh Language and I, alongside Cabinet colleagues, have discussed the level of resources to support education, including front-line funding to schools. To safeguard as far as possible core funding to schools, we have continued to prioritise funding through an increase to the Local Government settlement of £253m (4.3%) in 2025-26. This recognises the powerful points that local authority partners and our schools have made around pressures to deliver upon the statutory responsibility for ALN and wider education provision.

The additional funding invested continues to support the Programme for Government, and we continue with our commitment to reducing the administrative burden on local authorities, to allow them to focus on their vitally important work delivering services. The new grant approach simplified and streamlined funding to local authorities and schools in line with our national mission of high standards and aspirations for all. This grant will continue into the 2025-26 financial year, providing local authorities with reduced grant administration, whilst improving transparency and allowing flexibility to deliver on priorities. In supporting schools and local authorities, we have increased the additional funding we provide through the LAEG by 5.5% compared to 2024-25.

Through the LAEG we have protected funding for the Pupil Development Grant (PDG) that funds schools to support our most economically vulnerable learners, through the Equity strand of the LAEG. We are also maintaining the £93.5m budget to support UPFSM provision, ensuring all primary school learners continue to have a free school meal.

We are introducing a new Curriculum for Wales grant support programme to provide focussed support to schools and settings from April 2025. This new strategic approach to grant funded curriculum support is prioritising wider (non-LAEG) funding for Programme for Government commitments, such as our transformational curriculum, the national music service, and the enhancement of international language learning, as well as support priorities for literacy and numeracy.

In tertiary education, an additional £1.5m will support increasing and widening participation in post-16 education, including widening access to the Seren programme to support disadvantaged learners into higher study. A forecast £2.9m (of which £0.9m is an additional allocation to the student support budget) will support an increase the household income thresholds for the Education Maintenance Allowance from the 2025/26 academic year onwards.

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

### **CRIA**

Detailed impact assessments, including a Children's Rights Impact Assessment (CRIA) are undertaken as part of our ongoing policy development and review. A Strategic Integrated Impact Assessment (SIIA) is one of a suite of documents published as part of the draft Budget and is critical to identifying key trends, strategic and cumulative impacts at portfolio level, across a range of areas, including giving due consideration across the statutory requirements.

### ***Wellbeing of Future Generations (Wales) Act 2015***

All Cabinet Secretaries are committed to using the Well-being of Future Generations (Wales) Act to improve how we make decisions about the social, economic, environmental and cultural well-being of Wales. Our goal is to ensure we reflect the sustainable development principle and our spending plans aim to achieve a balance between short and long-term priorities. We recognise the need to collaborate with our partners and to use our collective resources effectively to plan for the tough choices ahead.

## **Costs of legislation**

### ***Details of allocations within the 2025-26 budget intended for the implementation of primary legislation.***

Up to £0.345m will be budgeted within the Tertiary Education Policy and Implementation BEL in 2025-26 to support Tertiary Education and Research (Wales) Act 2022 implementation costs, primarily related to the continued development of secondary legislation. Further detail on Medr, is outlined in the Higher Education and post-16 student financial support section.

The costs related to implementation of the Curriculum and Assessment (Wales) Act 2021 are set out within the curriculum reform section.

The costs related to implementation of the Additional Learning Needs and Education Tribunal (Wales) Act 2018 in 2025-26 are set out within the ALN section.

### ***Information on the financial impact of any relevant UK Parliament legislation.***

We are not aware of any UK Parliament legislation that may impact on our budget for 2025-26. However, we continue to monitor UK Government's Legislative Programme and will update the Senedd where necessary.

### ***Financial implications in 2025-26 of any relevant subordinate legislation.***

The budget will continue to take account of relevant subordinate legislation in 2025-26. Assessing the costs of implementing legislation and the impact on those it affects is an

essential part of ensuring that the principles of “Good Law” are followed. Draft regulations are subject to a robust assessment of costs and benefits, achieved through consultation and engagement with our stakeholders, in the development of the Regulatory Impact Assessments. This is to ensure our decisions are informed by the people who will be affected by them.

## **Impact of the COVID-19 pandemic**

*Information on any remaining provision in the Education MEG in 2024-25 and 2025-26 for dealing with and recovering from the impact of the pandemic, for example whether the “Recruit, Recover, Raise Standards (RRRS)” programme is continuing in 2025-26.*

As outlined to the Committee last year, funding for RRRS programme was intended to be time limited. However recognising that the far reaching impacts of the COVID-19 pandemic have not gone away, funding for RRRS programme of £28.5m was amalgamated into the School Standards strand of the LAEG from 2024-25, along with a further boost in funding of £10.9m to the overall grant. Whilst the formal RRRS programme no longer exists, the funding transferred to the LAEG is being maintained for 2025-26 along with a further £7.8m increase for the School Standards strand to further support schools in these challenging times.

We will be allocating just under £0.2m from the Teacher Development and Support BEL in 2025-26 to continue to fund researchers to lead on a long-term study that will track the impacts of the COVID-19 pandemic in the short, medium and long-term. This will highlight current and emerging effects on children and young people’s learning and well-being outcomes and will allow any mitigating interventions to be effectively monitored and assessed.

## **Impact of cost of living pressures on delivery of education services**

Like all publicly supported services, schools, colleges, universities and training providers continue to operate under significant cost constraints, particularly regarding pay, energy, and consumables. There are no easy answers to addressing these increased costs within the current budget settlement, particularly for education providers that have seen a significant decrease in non-governmental sources of income (such as universities). Providers will need to find ways to operate efficiently and with tighter margins, to ensure the best value for public funds. We recognise the impact of these pressures and continue to engage closely with our stakeholders on these issues.

During the current 3-year Infrastructure Finance Plan, over £1bn of capital will have been invested in school and college buildings through the Sustainable Communities for Learning Programme. This investment is helping schools and colleges to replace or improve poor quality buildings to the Programme’s net zero carbon standard, delivering more energy efficient learning environments across Wales, thereby reducing revenue costs.

## **Budget monitoring and the current financial context**

*Information on the processes in place for monitoring budgets within the Education MEG throughout the year.*

Careful financial management is essential given the financial pressures facing public services. All budgets continue to be monitored and challenged monthly during 2024-25, to consider the latest forecasts and budget movements as necessary and to ensure a balanced outturn by year end. I receive regular financial updates on the forecasts for the Education MEG to ensure that budgets remain on track to deliver my priorities.

*Details of any changes to the 2024-25 Education MEG that are already anticipated in the Second Supplementary Budget.*

The baseline adjustments for 2025-26 to support 2024-25 public sector pay award and increases to pension contributions (due to SCAPE) from April 2024 are reflective of the changes already anticipated in the Second Supplementary Budget. This includes funding to support the 2024/25 teachers' pay award and ensuring pay parity for post-16 education. A further £5m capital has also been agreed to support the Sustainable Communities for Learning Programme, following the £10m capital reduction as part of last year's budget.

The extra funding in 2024-25 to support our priorities in Education will also be formalised through the supplementary budget process.

*The implications for the Education MEG of the UK Government's Budget of 30 October 2024.*

The UK Government's budget on 30 October provided a very welcome investment for Wales, with our settlement being £1.7bn higher over 2024-25 and 2025-26. This includes an additional £774m resource (to include public sector pay deals) and £49m capital in 2024-25 and further increases of £695m resource and £235m capital in 2025-26. Whilst the changes to funding in England on programmes which are devolved in Wales result in changes to our block grant via the Barnett formula, it is for Welsh Minister's to decide how to allocate in line with priorities for Wales. In this budget, the additional funding through the UK Budget has supported additional investment in our Government priorities.

For Education, this funding has provided additional support in 2024-25 for teachers pay and pensions, ensuring parity for colleges, together with supporting uplifts for pay and pensions to our Arm's Length Bodies. It has also provided additional in-year funding to support our priorities. In 2025-26 funding has supported the £73m revenue and £28m capital uplift to the MEG. As noted, in addition to funding via the Education budget, the increase to the Local Government settlement will also provide additional support to schools, supporting wider education provision.

## 2. Specific areas

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

### **Funding for school budgets**

*An explanation of how the Welsh Government has prioritised funding for schools in the 2025-26 Draft Budget (in both the Housing and Local Government MEG and the Education MEG) and taken account of the Sibieta review of school spending in its approach to setting this budget.*

The main source of funding the Welsh Government provides to schools is to local authorities through the Local Government settlement. As noted, we have provided a £253m or 4.3% rise through the un-hypothecated settlement in 2025-26.

Since the introduction of the simplified and streamlined LAEG in April 2024, we have worked closely with partners on the new funding mechanisms. We are currently engaging with stakeholders to review impact within the sector.

For 2025-26, just under £400m will be invested through the LAEG, a rise of 5.5% compared to 2024-25. Our demand-led schemes continue to remain outside of this, due to specific claims on actual demand being necessary for payment purposes; these schemes include, UPFSM, School Essentials and Post-16 Specialist Placements funding.

The *Review of School Spending in Wales* underlined the unnecessary complexity in our system, and the simplification of our grants goes some way to reducing complexity and ensuring transparency of school funding in Wales.

*An update on the review of local authority mainstream school funding, which the Welsh Government is carrying out, and potential amendments to the School Funding (Wales) Regulations 2010.*

Continued progress is being made against the recommendations of the School Funding Review. We have been considering proposed amendments to the school funding regulations, and as part of this have reviewed the 22 local authority school funding formulas across Wales to gain a better understanding of them.

The first phase of this work, which included an in-depth and comprehensive analysis of each individual local authority school funding formula, concluded in Autumn 2024

Next steps for this programme of work will commence in early 2025.

*The Minister's perspective on the level of school budget reserves, in the context of the 31 March 2024 data due to be published in late October 2024.*

We always maintained that the high level of reserves seen by schools over the past few years would be temporary, and the latest data is reflective of that. This confirms that school reserve levels have decreased by 45% to £115m between March 2023 and March 2024. We will continue to support local authorities in working with their schools to manage their budgetary positions flexibly in light of the current circumstances.

## Funding for school improvement and raising standards

*An explanation of how the Draft Budget 2025-26 supports school improvement and raising standards of education.*

Our sector wide improvement priorities are my focus and will underpin the improvements we all want to see and which are supported through this budget. This clear set of priorities will help us to manage workload, prioritise resources and focus our collective efforts on enabling real improvements for young people.

Attendance, literacy and numeracy remain our focus to support school improvement and to raise standards. We know there is a strong link between school attendance and attainment. The Education Priorities section outlines the additional funding we are investing in these areas to boost school standards.

School improvement services are provided through local authorities and the increase to the local government settlement will support core funding to schools to raise standards.

The streamlining of our grants in 2024-25 has helped ensure that resources are being targeted and delivered in the most appropriate, efficient, and effective ways. Through the School Standards strand of the LAEG, we will see funding of over £167m directed at schools and other settings to support school improvement and learner recovery post-pandemic to raise standards.

*Details of the Local Authority Education Grant (LAEG) in 2025-26, including a breakdown of its four strands.*

Just under £400m will be provided in 2025-26 through the LAEG to support our schools and local authorities (excluding our demand-led schemes). A breakdown of the funding to be awarded through the four strands is detailed below.

LAEG strand	£000
School Standards	167,689
Equity	156,250
Reform	67,261
Cymraeg 2050	8,600
<b>Total LAEG 2025-26</b>	<b>399,800</b>

*Details of how much LAEG was paid to each local authority in 2024-25, including a breakdown by the four strands.*

A total of £379m is being provided in 2024-25 through the LAEG to support our schools and local authorities (excluding our demand-led schemes). A breakdown of the funding awarded is provided in [Annex C](#).

*Any assessment undertaken on whether the amalgamation of the individual grants into the LAEG in 2024-25 has resulted in any dilution of previously ring-fenced activities and interventions.*

We are currently working with stakeholders to review the impact of the grant amalgamation arrangements introduced in 2024-25. My officials have continued close engagement with local authorities, their partnerships and regional education consortia through 2024-25, particularly on areas of ongoing development, such as the reform strand

of the LAEG. This work includes developing shared understanding on priorities such as the curriculum (including for literacy and numeracy) and ALN. For the LAEG reform strand, 2024-25 was explicitly set out as a transitional year, and that collaborative working is ongoing as plans evolve towards 2025-26 and beyond.

Whilst we have not been notified of any significant or concerning issues, we will review this position as part of our feedback through our stakeholder engagement which is currently being undertaken.

*Information on budget allocations to support efforts to improve standards of literacy and numeracy and any assessment that has been made of their efficacy and value for money.*

My **Written Statement** of 4 October set out the actions we are taking to support literacy and numeracy under the Curriculum for Wales. A sustained improvement in education standards is a top priority for this Government, with literacy and numeracy being key to achieving this. We are committed to ensuring schools and settings have access to high quality professional support, tools and resources.

Funding for literacy and numeracy development in schools is provided through three elements of our draft Budget, with the Local Government settlement to local authorities representing our most significant investment in education and local services.

In addition to the settlement, the LAEG reform strand, does include funding for literacy and numeracy development for both schools and local authorities and their partnerships. We are maintaining £6m funding for schools for curriculum improvement. In this draft budget, I am increasing our total investment in supporting literacy and numeracy by £10m. This additional funding will provide essential national support for the teaching of literacy and numeracy, targeted interventions for learners struggling in these areas, and includes increasing LAEG funding for literacy and numeracy by £2.5m to supplement existing funding and increase local authorities' capacity to support standards in literacy and numeracy in their schools and settings. It also includes funding to improve the quality and availability of national information on how well learners are learning.

As noted, a new Curriculum for Wales grant support programme will be introduced from April 2025. This programme will be funded through the Curriculum and Assessment BEL and will bring together future grant awards for (non-LAEG) curriculum support under a common longer-term approach. It will also align support more closely to the nationally agreed priorities set out in the **oral statement** of 2 July 2024. Support for curriculum design, progression, and assessment, as well as literacy and numeracy, are key priorities under this new grant programme.

## **The cost of living and 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 reduce the impact of deprivation on educational outcomes – including from the "Tackling barriers to attainment" BEL or from the LAEG.*

The PDG has a key part to play in achieving the Welsh Government's ambition of high standards and aspirations for all. Year on year, the Welsh Government has invested in the

Pupil Development Grant. Funding of around £128m has been allocated to PDG in 2024-25 and funding is being maintained in 2025-26. The PDG is now allocated through the Equity element of the LEAG, with local authorities required to passport PDG funding in full to schools and settings as set out in the [published school level allocations](#).

This academic year, Welsh Government have also commissioned a pilot Poverty Proofing project to directly support schools to address educational disparities and reduce poverty-related barriers and stigma. In addition, Welsh Government has published a set of refreshed [‘Price of Pupil Poverty’ guides](#) and case studies, which include a resource focused on preventing poverty-related bullying.

***Information on budget provision for the School Essentials Grant and expenditure in 2023-24 and projected in 2024-25.***

The School Essentials Grant has made a significant difference to many lower income families across Wales, helping to reduce the worry surrounding the purchase of school uniform and equipment, enabling children to attend school and take part in activities at the same level as their peers.

Over 90,000 eligible learners benefitted from the School Essentials Grant in 2023-24. In 2024-25, funding of £13.1m has been made available for the School Essentials Grant and we are monitoring uptake of this grant on a quarterly basis. The budget is being maintained at this level in 2025-26.

***Information on how resources within the Education MEG are being used to support learners in post-16 education with the impact of cost of living pressures, and to address the impact of deprivation on outcomes (including, for example, through additional hardship funding for providers, or through existing student support funding such as the Education Maintenance Allowance).***

We recognise that increased cost of living is a barrier to tertiary education participation, particularly for learners from lower-income backgrounds. That is why we have decided to increase the household income threshold for the Education Maintenance Allowance (EMA), in line with recommendations of a recent [review](#), with additional funding allocated to the Student Support Grants BEL to support this change. The increase to EMA household income thresholds will provide EMA to an estimated additional 3,500 post-16 learners, taking total expenditure on EMA to an estimated £19.7m in 2025-26. Full detail on the increased household income thresholds for learners will be released when applications for EMA are launched in the spring.

Medr will continue to allocate Financial Contingency Funding (FCF) to post-16 providers, which supports eligible learners who are facing financial difficulties or who are at risk of leaving education. FCF helps with costs such as fees, course related costs, transport, meals, and childcare costs. Further details will be announced when Medr publishes its funding allocations.

We continue to provide a progressive higher education student finance system, with the highest levels of non-repayable grant support provided to those most in need, and the highest overall levels of maintenance support for undergraduates in the UK.

We remain committed to widening access to higher education and have tasked Medr with setting ambitious targets for universities and colleges to reduce the inequity of access to tertiary education and improve intake.

***Budget provision for the roll out of universal free school meals in primary schools in 2024-25 and whether any budget is needed for this in 2025-26, given the roll out completed in September 2024.***

A total of £93.5m revenue was allocated in 2024-25 to deliver universal primary free school meals. Although roll out was completed in September, there is an ongoing budget requirement to support local authorities with the continued delivery of the offer. Therefore, the budget within the Food and Nutrition in Schools BEL is maintained at £93.5m in 2025-26. As of the start of September, 174,500 learners were newly eligible for a meal, and more than 30 million additional meals have been served since the launch in September 2022.

***A further breakdown of the funding provided to local authorities in 2024-25 for the universal provision of free school meals.***

A total of £92.8m was provided to local authorities across Wales in 2024-25 as part of their grant allocation for delivery of universal primary free school meals. [Annex D](#) provides a breakdown of allocations to local authorities.

***Any other funding within the Education MEG for initiatives to tackle the cost of living and the deprivation/attainment negative correlation, for example school holiday enrichment/summer of fun/food and fun projects, including an explanation of how these projects and funding streams relate to each other***

We have allocated an additional £1m to the Food and Nutrition in Schools BEL to expand SHEP, also known as 'Food and Fun', taking total budget provision to £5.8m in 2025-26. The funding will support an increase in the number of available cohorts up to approximately 380.

We know that positive engagement with school is essential in fostering belonging and attendance and engagement is often built through positive and enriching experiences outside of the classroom. Together with the additional £0.3m in 2024-25, we are allocating an extra £2m in 2025-26 to support schools to provide or enhance enrichment provision either during school holidays or term time. This funding will enhance social and personal skills, build confidence and provide disengaged learners with an incentive to return to school, which is critical to tackling non-attendance.

## **Education workforce**

***Details of budget allocations to finance Initial Teacher Education (ITE), including funding and initiatives targeted at addressing shortages in particular subjects or areas, and any assessment that has been made of their efficacy and value for money.***

There remains dedicated funding within the Teacher Development and Support BEL to support ITE:

- £2.85m to deliver the 'alternative' ITE routes for Part-time PGCE and the Salaried PGCE, which are commitments under the Welsh in education workforce plan and the Anti-racist Wales plan. The funding provides grants, which include training grants for students and salary contribution grants for schools supporting a student teacher on the Salaried PGCE. The budget is demand-led with spend highly dependent on recruitment onto the programmes. Work undertaken by our delivery partner the Open University has shown that student teachers on this programme

are a genuinely unique cohort that would have been unable to undertake ITE and enter the teaching workforce via a 'traditional' full-time qualification.

- £2.72m to continue to deliver the Priority Subject & Black, Asian and Minority Ethnic incentive schemes intended to support recruitment into the profession via ITE. The budget is demand-led and is highly dependent on recruitment levels into full-time and part-time ITE programmes.
- £0.745m for the Iaith Athrawon Yfory Welsh-medium incentive scheme, which is targeted at student teachers preparing to teach secondary subjects through the medium of Welsh, or Welsh as a subject. Again this budget is demand-led and highly dependent on recruitment levels into full time and part-time ITE programmes.
- £0.160m will continue to be made available in 2025-26 to support costs relating to developing evidence informed policy to continue to support the Welsh Government's ambitions for a high-quality ITE sector. This funding will continue to support the ongoing recruitment of Black, Asian, and Minority Ethnic student teachers into ITE, an evaluation into the policy support ITE in Wales, and stakeholder events to support the ITE sector to meet Welsh Government's priorities.
- Up to £0.250m will again be allocated in 2025-26 to continue the communications and marketing campaign 'Teaching Wales'. The campaign continues to evolve based on audience insight and research.

An evaluation of the policy to support ITE in Wales will be conducted in 2025 and report in 2026; this will include research into the efficacy of incentivisation.

***Details of budget allocations to support professional learning for current teachers, including in light of the ongoing implementation of education reforms.***

We want all practitioners to have access to quality professional learning. In October 2024, I **announced** my intention to bring together some of the current functions of the regional consortia and local authority partnerships and the National Academy for Education Leadership into a national body. The body will be responsible for designing and delivering professional learning and leadership support on a national level in response to the need for increased consistency and clarity of offer. The aim is for the national body to be established by 1 April 2025 and operational from the 2025/26 academic year. The first year will be a transition year.

In 2025-26 we will again be allocating approximately £35m to support the development and delivery of professional learning.

Approximately £18.8m will remain in the Reform strand of the LAEG. This is a reduction of £2.465m from 2024-25 to reflect the movement of responsibility for delivering professional learning to the national body (with funding transferring to the Teacher Development and Support BEL). Of the £18.8m remaining in the LAEG Reform BEL:

- £13.5m will be allocated directly to schools (increase of £1.5m from 2024-25), and
- £5.3m will be available for local authorities to facilitate local professional learning.

A further £1.4m will remain in the Cymraeg 2050 strand of the LAEG to support Welsh-medium and Welsh language professional learning in line with the intentions of the Welsh Language and Education (Wales) Bill. This is a reduction of £1.1m from 2024-25 as the funding is being moved to Teacher Development and Support BEL to be allocated to the National Centre for Learning Welsh and the new professional learning body to develop

and deliver national professional learning for Welsh-medium practitioners and to develop the language skills of all practitioners (see below).

Of the remaining £14.8m approximately £5.7m will be allocated to the national body for a range of professional learning programmes including the teaching assistants, leadership, Welsh language and pedagogy programmes. Approximately £9.1m will remain with the Welsh Government during the transition year to fund other national professional learning including the induction programme for Newly Qualified Teachers, the national Masters (MA) and Doctorate (EdD) in education, professional learning to develop the enquiry skills of practitioners and professional learning to support the Welsh language skills development of practitioners and for the use of digital technology amongst others.

***Information on funding provided by the Welsh Government to the Education Workforce Council.***

The Teacher Development and Support BEL includes net core funding for the Education Workforce Council (EWC) of £0.944m for 2025-26, of which £0.263m is revenue to support the promotion of careers and £0.681m non-cash to support depreciation costs. The revenue budget includes an extra £0.008m for pension costs from April 2024 which has been baselined into 2025-26.

The contribution to registration fees of £1m will not be provided once again in 2025-26. The EWC has been asked to continue with the collection of registration fees at the subsidised rates, so this reduction will not impact on the fees for teachers and other education professionals.

Grant funding for activity that the EWC undertakes on the request of, and on behalf of Welsh Government totalling £7.4m will be allocated in 2025-26, including for the administration and notification of Qualified Teacher Status and induction appeals and certification.

***Details of any budget provision for meeting the costs of the teachers' pay award for academic year 2024/25 including a breakdown between the 2024-25 and 2025-26 financial years and the respective mechanisms used (whether direct grant or incorporated into the local government settlement).***

In September I **published** the report from the Independent Welsh Pay Review Body (IWPRB) covering recommendations for teachers' pay and conditions and announced an increase to all salaries and allowances of 5.5% from September 2024.

Whilst meeting the cost of teachers' pay is part of the core funding provided by local authorities through the Local Government Settlement, where timing does not allow for inclusion of specific and unforeseen amounts within the settlement, the Welsh Government has in the past provided additional grant funding in-year. Given the difference between the planned pay uplift and the increased pay award, in **November** I committed to providing additional funding to support local authorities and schools with the budgetary impacts of the pay uplift.

For 2024-25, £18.164m (for September 2024 to March 2025) has been allocated to the Education MEG and will be formalised through the second supplementary budget process, with a further £5m of funding allocated to support ALNCOs and working towards recommendations (3-5) of the IWPRB Fifth Report. This funding is being distributed via the LAEG.

In 2025-26, the £18.164m has been added to the Local Government settlement budget (within the Housing and Local Government MEG), together with an additional allocation of £12.974m for 2025-26 to account for the full year impact of the 2024/25 pay award.

To ensure pay parity for further education and school sixth form teachers, who are funded via Medr, just under £6.1m was allocated through the Education MEG in 2024-25, with this funding being baselined within the Medr BEL into 2025-26, along with a further £3m allocation to support the full year impact of the 2024/25 pay award.

***Information on any funding to support policy regarding the supply teaching workforce.***

In August 2022 the former Minister for Education and Welsh Language agreed plans to reform pay, conditions and employment of supply teachers, to deliver the commitments set out under the Programme for Government and Co-operation Agreement. As part of the reforms a revised supply agency framework has been procured and the contracts started in September 2023. Also, a new booking platform was procured to develop a supply pool for Wales with costs estimated at between £0.5m and £1.05m per financial year.

In May 2024 a summit was held to discuss the position on the supply pool and jointly develop a plan for next steps. The Welsh Government, WLGA, education unions and a representative sample of local authorities attended. Costs for the 2025-26 financial year will depend on the conclusion of the continuing discussions on the way forward. There is no specific budget provision within the Education MEG and therefore any costs moving forward would place an additional commitment on the Teacher Development and Support BEL, in line with 2024-25.

## **Curriculum reform**

***Information on funding to support the implementation of the Curriculum for Wales.***

Implementation of the Curriculum for Wales, including our emphasis on supporting learner progression and school cluster working, continues to be prioritised in our investment in schools and settings. As signalled in the last Curriculum Annual Report (4 July 2024) funding to schools to support their curriculum implementation in 2024-25 reduced by some £3m (from £22m) in line with planned implementation cost reductions as the curriculum continues to roll-out across schools and settings.

However, we recognise the ongoing pressure on school budgets and how essential practitioner engagement and school to school working is to successful curriculum implementation, and school improvement more widely. We are, therefore, maintaining school funding for curriculum reform at 2024-25 levels at £6m in 2025-26. This will enable schools to continue to engage in support programmes being made available both nationally and locally through the year ahead, including by Local Authorities through their LAEG funding.

Funding for curriculum support forms part of the Reform strand of the LAEG. Currently, this budget includes the transfer of £1.73m for curriculum support from the LAEG to the Curriculum and Assessment BEL. This is to take forward enhancement of national capacity for curriculum design, literacy, numeracy alongside other aspect of curriculum support where economies of scale are agreed (such as international languages, digital skills and RSE).

As noted in the school improvement and raising standards section, we are increasing funding to local authorities through the LAEG by £2.5m in 2025-26 to increase their capacity to support standards in literacy and numeracy under the Curriculum for Wales in their schools and settings. Taking both transfers together, the overall impact for local authorities on this element of the reform strand is a net increase of £0.77m.

Alongside this, officials are working in partnership with local authorities to review and agree approaches for curriculum support locally and nationally. Further detail on professional learning for the workforce is detailed in education workforce section.

## **Emotional and mental health of children and young people**

*Budget provision from the Education MEG in 2025-26 for the whole-school/system approach to emotional and mental health.*

The indicative baseline budget for the whole school approach (WSA) is £13.6m for 2025-26 (£7m Health and Social Care (HSC) MEG and £6.6m Education MEG), which is in line with 2024-25.

As part of our grant amalgamation plans, funding to local authorities for the WSA of £4.75m in 2024-25 transferred to the new amalgamated LAEG (reform strand). This includes funding allocated to local authorities of £3.250m for school based counselling, £1.1m for provision (training and interventions) and £350k for PRU provision.

Funding supports a range of activity in line with the requirements of the statutory WSA Framework guidance published in 2021. Mental Health in general and specific commitments around supporting school-based counselling are Programme for Government commitments. The remaining funding within the Whole School Approach to Wellbeing BEL (£1.85m) will support a range of activity and work such as the development of resources and research and evaluation.

*Details of funding from the Health and Social Care MEG to complement work in schools on this area.*

Funding of £7m is being maintained for the WSA within the HSC MEG for 2025-26, recognising the cross-cutting nature of this work and emphasising our commitment to progressing this agenda. Taken together with the funding in the Education MEG, funding will ensure we are able to support wellbeing needs, from building resilience to more targeted interventions for learners to ensure their needs can be met outside of specialist services, bringing savings and efficiencies for those services.

*Information on any budget provision to support the emotional and mental health of young people in post-16 education.*

In 2024-25 Medr has provided £8m to support mental health and wellbeing in higher and further education, continuing allocations made by HEFCW and the Welsh Government. We expect Medr to build upon these investments, with an additional £2m in their grant allocation for 2025-26 to enable further investment in mental health and wellbeing services, particularly in increasing and broadening suicide prevention and self-harm activity, and in expanding the HE-FE student mental health liaison service (MHULS).

*Budget provision for the action plan and wider response to tackle peer on peer sexual harassment among learners.*

For 2025-26 £0.15m will be made available to support our ongoing response to the CYPE Committee's inquiry into peer on peer sexual harassment, and support implementation of the peer-on-peer action plan, which was published in January 2024. The action plan focuses on primary and secondary education settings (maintained and independent) and on FEIs. Work aligns with the VAWDASV National Strategy and the Blueprint approach to delivery.

## **Pupil absence**

*Information on any specific budget provision to address rates of pupil absence or an identification of which budget lines support such work more generally.*

In 2024-25 we originally invested £6.5m in supporting the work of Family Engagement Officers (FEOs), delivered as part of our Community Focused Schools Programme. With the announcement of additional in-year funding of £1.5m for FEOs, we are also providing an additional £3m in 2025-26 to support and retain FEOs to provide greater capacity to continue this work to specifically tackle poor attendance at school. We are also providing an additional £1m in 2025-26 to enhance Community Focused Schools and to support collaboration and professional learning across Wales. This funding will be allocated through the reform strand of the LAEG.

Taken together with funding for enrichment activities and SHEP, this provides an extra £8.8m across this year and next to improve engagement and attendance.

## **Sport and physical activity**

*Information on how the Education MEG supports the provision of sport and physical activity for children and young people, whether inside or outside school, and how this relates to any funding in the Health and Social Care MEG such as for Healthy Weight, Healthy Wales.*

The provision of support to schools and communities for physical activity is largely funded by local authorities, through the Local Government settlement. Public Health officials working on Healthy Weight Healthy Wales are, through existing programmes, exploring options for supporting the provision of physical activity.

Regarding the Education MEG, schools need support to develop curriculum arrangements that help learners be healthy and well and, in turn, ready to learn. This is a priority for funding under the new Curriculum for Wales grant support programme, funded via the Curriculum and Assessment BEL. Awards will be announced in the Spring.

New schools funded through the SCfL Programme provide new sports facilities as an integral part of each new school project, with improvements also being incorporated through refurbishment projects. Community Focused Schools is a key Programme for Government commitment and £20m of capital will be invested in 2025-26 to support works that open up education facilities and provide community use areas, supporting physical activity for young people and their families outside the school day (see Community Focused Schools section for further detail).

## **Support for Minority Ethnic and Gypsy, Roma and Traveller learners**

*Details of funding to support the education of Minority Ethnic and Gypsy, Roma and Traveller learners in 2025-26 and how this is being distributed as part of the LAEG.*

The funding to support Minority Ethnic and Gypsy, Roma and Traveller (GRT) learners within the equity strand of the LAEG is being maintained at £11m for 2025-26. Since 2021, the most recent PLASC data is used to determine the allocations to each local authority, to reflect the need according to demographic. The formula is based on numbers of children and young people with English as an Additional Language (EAL) (excluding GRT), plus numbers of GRT.

Following the transitional arrangements put in place to mitigate the change of formula for 2023-24, the MEGRT Working Group met on 30 January 2024 to consider the grant distribution formula for 2024-25. The Group considered 3 options to take funding forward in a way that best targeted funding to support learners.

Options were presented to the then Minister for Education and Welsh Language in February 2024, who agreed to the option that for 2024-25 and going forward the MEGRT grant allocation formula uses 100% PLASC data aggregated over the preceding 3 years. Taking forward these arrangements reduces funding complexities within the education system and ensures that resource is responsive to population changes, whilst supporting longer term planning by avoiding sudden drops in funding allocations

## **Additional Learning Needs**

*An updated assessment of the pressures facing local authorities, schools, and colleges in delivering current SEN/ALN provision, the impact of additional funding in previous years and whether further additional funding will be maintained/provided in 2025-26.*

*Information on funding provision for the implementation of the 2018 Act, including an updated assessment of whether the ALN reforms are proving to be cost-neutral.*

Additional funding of £14.3m is being provided in 2025-26 through the Education MEG for delivery of ALN reform, this includes £10m via the reform strand of the LAEG to improve national consistency and sustainable delivery of provision for children and young people with ALN, £2m through the ALN BEL to improve national consistency and the upskilling of the workforce through national professional learning and £2.3m through the Post-16 Specialist Placements BEL to support learners in independent specialist post-16 placements. In addition, the increase to the Local Government revenue settlement also recognises the pressures on local authorities to deliver upon the statutory responsibility for ALN. An additional non-recurrent ringfenced allocation from HMT of £3.7m is also allocated to the Post-16 Specialist Placements BEL, as the Welsh Government cannot reclaim VAT on independent specialist post-16 placements which is being introduced from 1 January 2025.

This brings total investment on ALN reform to nearly £37.6m (through the ALN and Education Reform (LAEG) BELs), and £19.9m to support post-16 specialist placements in 2025-26.

There is an increase in demand and costs of ALN provision across Wales. The **Budgeted expenditure on Special Educational Needs (SEN) and Additional Learning Needs (ALN) provision** published in June 2024, reported total expenditure on ALN provision in schools by local authorities is budgeted to be £42m higher in 2024-25 compared to the previous year. Implementation costs to move learners from the SEN to the ALN system have been recognised through the Education budget and increased funding allocated to local authorities and education settings to support these costs.

***Information on how funding for ALN provision is featuring in the review of local authority mainstream school funding.***

The review of local authority mainstream school funding formulae across Wales will identify the total funding that each local authority delegates to schools to meet the needs of pupils with ALN and the different distribution methods used. The review will enable us to consider how the system can be improved to make a fairer funding system, to enable more transparent, comparable and consistent funding across Welsh schools.

As outlined under the Funding for School Budgets section, phase 1 of the analysis has recently concluded and the findings are being considered. Phase 2 of the funding review includes a programme of work aimed at supporting and improving the school funding system, including the funding of ALN provision within mainstream schools.

***The latest position on funding for the training of educational psychologists in Wales and any grant funding arrangement with higher education institutions.***

We continue to fund training for new educational psychologists. We have agreed to provide an updated grant of over £4.2m to Cardiff University across six financial years from 2025-26 to secure Wales's only Doctorate in Educational Psychology. Trainees are required to commit to spending the first two years of their career working for local authorities in Wales.

## **Estyn**

***Details of Estyn's core budget allocation for 2025-26 and which MEG this is located in, as well as the rationale for this.***

The total budget allocation for Estyn, which is now located in the Education MEG following the Cabinet changes announced in September, stands at £16.993m for 2025-26, including fiscal resource of £16.467m, non-fiscal resource of £0.276m and capital of £0.25m. This represents an increase on fiscal resource of £0.406m compared to the 2025-26 revised baseline, to provide support for the next round of public sector pay awards in 2025-26. We have also baselined into 2025-26 funding for public sector pay in 2024-25 totalling £0.168m.

Estyn's non-cash budget has increased by £0.076m in 2025-26, which reflects additional funding for the implementation of the accounting standards for leases (IFRS16). There have been no changes to Estyn's capital budget.

***Details of any additional funding from the Education MEG for Estyn's role in education reforms.***

As part of previous budget rounds, the Education MEG provided additional funding over the last three financial years to enable Estyn to carry out an increased rate of inspections

to complete the previous cycle and to support the development of more regular inspection activity from September 2024 (£1.6m in 2022-23, rising to £4.5m in 2023-24 and £4.87m by 2024-25).

Whilst we have uplifted Estyn's budget to support inflationary pressures associated with pay, it has not been possible in this budget to fund any further increases in 2025-26 to support the new inspection cycle from September 2024. We will work with Estyn closely to manage these impacts.

## Qualifications

*Details of funding allocated to Qualifications Wales in 2025-26 and details of any additional funding for its work on qualifications reform in the context of the new Curriculum for Wales and vocational qualification reforms.*

The total budget allocation for Qualifications Wales stands at £10.986m for 2025-26, consisting of £10.391m on fiscal resource, £0.345m on non-fiscal resource and £0.250m on capital. This represents an increase on fiscal resource of £0.235m compared to the 2025-26 revised baseline, to provide support for the next round of public sector pay awards in 2025-26. We have also baselined into 2025-26 funding for public sector pay and increased pension costs in 2024-25 totalling £0.149m.

Qualifications Wales' non-cash budget has increased by £0.095m in 2025-26, which reflects additional funding for the implementation of the accounting standards for leases (IFRS16). There have been no changes to the capital budget which is being maintained at the same level as 2024-25.

## Welsh in education

*Details of allocations in the Education MEG to support the Welsh Government's policies for Welsh in education, and the education sector's role in meeting the Cymraeg 2050 target of one million Welsh speakers.*

The Cymraeg 2050 Work Programme for 2021-26 set out our plan for this Senedd term. The education sector has an important role to play in meeting both high level Cymraeg 2050 targets: doubling daily language use and reaching a million Welsh speakers by 2050. The Welsh in Education BEL, along with other BELs across the MEG, continue to contribute to our work of reaching those targets within the education sector.

The Welsh in Education BEL stands at £6.537m for 2025-26 and continues to provide support for Adnodd to oversee the commissioning and development of educational resources, accessible in both Welsh and English simultaneously. It also provides support to Mudiad Meithrin to increase Welsh-medium childcare provision as an access point into Welsh-medium education through the Sefydlu a Symud/Set up and succeed (SAS) projects.

The Cymraeg 2050 strand of the LAEG which stands at £8.6m for 2025-26, will continue support for Cymraeg 2050 and is crucial to delivery of the forthcoming Welsh Language and Education (Wales) Bill, which includes funding for professional learning, Welsh in Education Grant, immersion and Siarter Iaith.

Further detail on support for Welsh-medium and Welsh language professional learning for practitioners is set out in the Education Workforce section.

The next phase of the Sustainable Communities for Learning Programme is designed to go hand in hand with the delivery of the 10-year Welsh in Education Strategic Plans (WESPs) and therefore local authority plans for the 9-year Rolling Programme capital investment plans reflect the requirements and targets of the WESPs. This builds on the £128m of Welsh-medium capital funding already approved to date to increase Welsh-medium education provision across Wales.

*How allocations in the Education MEG relate to other budgets supporting the Welsh language, for example the Welsh Language Action in the Central Services and Administration MEG (as of the 1st Supplementary Budget 2024-25).*

Whilst the Cymraeg 2050 Division leads on the implementation of the Welsh language strategy, *Cymraeg 2050: A million Welsh speakers*, the activities are implemented in partnership with officials across government and with external stakeholders.

The Cabinet Secretary for Finance and Welsh Language is responsible for implementing *Cymraeg 2050*, with the Welsh language being mainstreamed across multiple portfolio areas, including Education. Every Cabinet Secretary and Minister has an important role to play to support the delivery of *Cymraeg 2050*.

*Whether there is specific ring-fenced funding for implementing the Welsh Language and Education (Wales) Bill or if this will be met within existing Welsh Language and Welsh in Education BELs.*

There is no specific ring-fenced funding for implementing the Welsh Language and Education (Wales) Bill, with costs being met from existing BELs within the Education and the Central Services and Administration MEGs.

A Regulatory Impact Assessment (RIA) detailing the costs and benefits arising from the provisions of the Bill was laid before the Senedd upon the introduction of the Bill on 15 July 2024. This set out total costs associated with the legislation of £103m over the 10 year appraisal period from 2025-26, which includes costs for the Welsh Government, local authorities, schools, Estyn and the National Institute for Learning Welsh, which will be established by the Bill.

*Information on funding allocated for enhancing the Welsh in education workforce.*

Funding of £8.72m in 2025-26 is available within the Teacher Development and Support BEL to support the implementation of our 10-year Welsh in Education Workforce Plan.

Approximately £3.8m will be prioritised to support the aims of the plan and will be mainly targeted at increasing the number of Welsh-medium teachers, including the continuation of the primary to secondary conversion programme, the third year of the teacher retention bursary, grants to schools to develop innovative solutions to addressing teacher shortages and funding to support the viability of Welsh A Level provision in schools and FE Colleges.

The Coleg Cymraeg Cenedlaethol will continue to allocate £0.150m from their grant (Welsh Language BEL) in 2025-26 to continue to deliver the Addysgu'r Dyfodol project and to develop the Cadw Cyswllt network.

We have maintained the Iaith Athrawon Yfory incentive of £5,000 for each student who is preparing to teach secondary subjects through the medium of Welsh (see Education Workforce section).

Professional learning is a key feature of our approach to strengthening Welsh-medium teaching capacity and supporting practitioners to develop their Welsh language skills in line with the Professional Standards for Teaching and Leadership. We are working with our partners to ensure that practitioners are identified and supported to engage with professional learning to improve the teaching of Welsh in English-medium schools and to support all schools to move along a continuum.

Approximately £3.8m will be allocated to the Sabbatical Scheme to deliver intensive Welsh language and language teaching methodology professional learning for practitioners. Courses are available on a range of levels for teaching assistants and teachers.

Funding allocated to the National Centre for Learning Welsh (via the Welsh Language BEL in the Central Services and Administration MEG) also delivers access to free Welsh language lessons to all education practitioners. During 2025-26 the Centre will continue to develop new bespoke provision to meet the needs of the sector. For example, a pilot course for secondary teachers in English-medium schools with some Welsh will be developed to be delivered flexibly and a short on-line confidence / 'gloywi' course for those teaching in a range of settings. £1.1m will be allocated from the Teacher Development and Support BEL in 2025-26 to support this work. This is an additional £0.5m in 2025-26 and is funded through the transfer out from the Cymraeg 2050 strand of the LAEG.

A further £5.9m will be allocated to local authorities as part of the Cymraeg 2050 strand of the LAEG to support the delivery of local authority Welsh in Education Strategic Plans and the ambitions of the Welsh Language and Education (Wales) Bill. This includes the £1.4m for professional learning (outlined under the Education Workforce section) and £4.5m for the Welsh in Education Grant (WEG), which was re-established in 2023-24 following discussions with local authorities.

## **Early years education and childcare**

*Whether the funding in the LAEG to ensure harmonisation of funding rates of early childhood education in non-maintained settings with the Childcare Offer is continuing in 2025-26.*

Nursery education provision forms part of the Childcare Offer (the Offer). From January 2021 additional funds were made available to local authorities to increase funding to non-maintained nursery settings which deliver nursery education, to help align with our funding rate for childcare within the Childcare Offer. To ensure equity across Wales we applied a standard formula to the funding. This support will continue to be provided in 2025-26 and £5.268m remains within the School Standards element of the LAEG.

*Details of any other funding from the Education MEG to support the non-maintained sector's delivery of early childhood education and the Curriculum for Wales, and how this relates to funding for the responsibilities of the Minister for Children and Social Care in relation to early years and childcare.*

To support the provision of nursery education in childcare settings, the Welsh Government continues to work closely with national childcare umbrella organisations – Early Years Wales, Mudiad Meithrin, National Day Nurseries Association and PACEY Cymru. In 2024-25 we provided £0.375m to enhance the work of those organisations in supporting our youngest learners. We recognise the importance of this work and associated funding is continuing in 2025-26 in support of Curriculum for Wales implementation. Particularly

ensuring we continue to embed foundation learning pedagogy and practices to improve provision.

Funding within the School Standards element of the LAEG also enables support to settings within local authorities, primarily via Early Years Advisory Teachers.

Early Childhood Play, Learning and Care (ECPLC) supports our wider early years policies and ambitions in Wales. ECPLC is primarily concerned with promoting partnerships and join up between schools and settings as well as parents/carers, for the benefit of the child and their families.

## **Youth work**

*Details of how the 2025-26 Education MEG supports statutory and voluntary youth services and budget provision for meeting the Programme for Government commitments in respect of strengthening youth services.*

A total of £15.077m will be allocated in 2025-26 to support statutory and voluntary youth services and activities to support our Programme for Government commitments in respect of strengthening youth services. In line with this financial year, this budget includes, subject to agreement by the Cabinet Secretary for Housing and Local Government, a transfer of £3.7m to support the early intervention and prevention of homelessness from the Housing and Local Government MEG, which is to be actioned in a supplementary budget for 2025-26. This will provide funding to local authorities via the Youth Support Grant, to voluntary organisations via the Strategic Voluntary Youth Work Organisation Grant, as well as a range of other activities to continue our work to develop and take forward the Interim Youth Work Board's recommendations aimed at achieving a sustainable delivery model for youth work in Wales.

*Details of how the 2025-26 Education MEG supports the Youth Work Strategy for Wales and the work of the Implementation Board.*

The budget will continue to support the high-level vision set out in the Youth Work Strategy for Wales as well as the work of the Youth Work Strategy Implementation Board who were appointed in October 2022. This includes activities to take forward specific recommendations made by the Interim Youth Work Board as well as continued engagement with the youth work sector, stakeholders and young people to inform this work.

## **Offender learning**

*Information on budget provision in 2025-26 and any changes to how this will be spent compared to previous years.*

The Welsh Government funds (from monies provided to the Welsh Ministers specifically for this purpose by the UK Government) the learning and skills provision and prison libraries in Welsh prisons through a joint Memorandum of Understanding (MOU) with His Majesty's Prison and Probation Service (HMPPS). Officials are currently working on the next MOU with HMPPS, which will cover the period 2025-2035.

A budget of £7.328m is allocated for offender learning in 2025-26 with a further transfer of £3.738m for HMP/YOI Parc expected as part of a supplementary budget in-year during 2025-26, which is in line with funding for 2024-25. Of this funding:

- £3.328m is allocated to cover the costs of learning and skills provision in public sector South Wales prisons (HMP Usk/Prescoed, Cardiff and Swansea);
- £4m is allocated to cover the costs of learning and skills provision in HMP Berwyn in North Wales; and
- £3.738m is allocated towards the learning and skills provision in HMP/YOI Parc in South Wales.

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

*Details of the complete 2024-25 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 any hypothecated funding to further education institutions or Sixth Forms beyond their usual core grants.*

*Details of any funding provided in the 2025-26 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.*

*The allocation for Adult Community Learning.*

*The complete 2023-24 and 2024-25 programme values used in the calculation of FE and Sixth Form funding.*

We are allocating an additional £29.213m to Medr in 2025-26 to support the following:

- Anticipated increased participation in post-16 education in 2025-26.
- Expansion of the Junior Apprenticeships programme.
- Further development of wellbeing and mental health support in further and higher education to give learners the best possible support to remain in education.
- Continuation of pay parity between schools and colleges, to maintain the highest standards and teaching quality wherever learners undertake their post-16 education.

Full detail on allocations to higher education, further education colleges, apprenticeship providers, and local authorities for sixth-forms and adult community learning will be provided by Medr, which has taken over responsibility for these allocations. Medr will make decisions on these allocations in the coming months by considering its overall budget, the needs of the different sectors it funds, its statutory duties and strategic aims, and ministers' stated priorities.

We expect Medr to plan for the anticipated costs of next year's pay settlement in the FE and schools sector within the uplift provided.

Programme values for academic year 2023/24 are available on the Welsh Government [website](#). Programme values for academic year 2024/25 are available on the Medr [website](#).

We understand that the creation of Medr means that important details regarding the Education budget will require separate scrutiny of its funding decisions. Medr will set out its indicative funding allocations in the coming months and will be open to Committee scrutiny regarding those decisions.

## Higher education, and post-16 student financial support

*Details of the Commission for Tertiary Education and Research (Medr) allocation, including details of any hypothecated funding, or funding which is intended for specific activities including mental health and student well-being.*

*Details of any 2025-26 allocation intended for the delivery of degree apprenticeships and if it is intended to be used to recruit new apprentices or to teach out existing apprentices.*

*Details of any capital funding to be made available to Medr, including any conditions to be placed on it by the Welsh Government.*

*Medr will be made an additional has been allocated a capital budget allocation of £0.5m to cover its organisational capital requirements.*

The total revenue budget for Medr in 2025-26 stands at £804.681m, which includes the uplift of £29.213m referenced in the section above. The budget reflects the transfer over to Medr of £757.3m from BELs within the MEG: Post-16 Provision (CTER), Tertiary Education Policy and Implementation (was CTER), and HEFCW Programme Expenditure (CTER).

We anticipate that Medr will continue to allocate approximately £5m from its Education grant for degree apprenticeships. This will be supplemented by an allocation of £4.111m from the apprenticeships budget (in the Economy, Energy and Planning MEG). Details of the apprenticeships allocation to Medr can be found in evidence provided by the Minister for Culture, Skills and Social Partnership to the Economy, Trade and Rural Affairs Committee.

We will continue to provide £13m to Medr from the Education Infrastructure BEL to fund capital commitments across HE and FE. FE providers continue to participate in the Sustainable Communities for Learning programme for major capital programmes.

*Details of any contingencies / reserves / non-allocated funds within any of the 2025-26 tertiary education related BELs, including the BELs within the post-16 Learner Support Action; details of how the funds are / can be deployed; and details of any deployment of them during 2023-24 and 2024-25.*

We announced our package of student support for the 2025/26 academic year on 4 December. Student maintenance and postgraduate support packages will increase by 1.6% in line with forecast CPI inflation. We continue to offer the most generous student living costs support for full-time undergraduates in the UK, with the highest levels of non-repayable grant support provided to those most in need. The tuition fee limit for full-time undergraduate courses will increase to £9,535 from £9,250, in line with the maximum fee in England.

We have budgeted £283.3m for student support grants. This accounts for our revised modelling of expected grant outlay, including the planned increase in income thresholds for EMA (see Cost of living section). The Student Support Grants BEL is demand led, which means that they are difficult to forecast and will fluctuate according to demographics and uptake of higher and further education.

## Other post-16 education provision

*Details of Personal Learning Account funding.*

---

Allocations for Personal Learning Accounts will be determined by Medr as part of their overall allocations for part-time further education.

*Details of the Welsh in Education budget including any allocation for the Coleg Cenedlaethol.*

The draft budget includes an allocation of £10.382m for the Coleg Cymraeg Cenedlaethol in 2025-26. This budget is now under the remit of the Cabinet Secretary for Finance and Welsh Language and funding is within the Welsh Language BEL of the Central Services and Administration MEG, following Cabinet changes earlier this year. This is an increase of £0.494m on 2024-25 and is being funded through the increase to the Welsh Language BEL for 2025-26. This additional funding will allow the Coleg to re-start the work of extending provision by expanding its programme of development grants for further education colleges and apprenticeship providers.

*Details of funding for the International Learning Exchange Programme (Taith).*

The International Learning Exchange Programme budget for 2025-26 is being maintained at the same level as 2024-25, with a total budget of £6.501m.

## **Young Person's Guarantee**

*Details of budget provision from the Education MEG which contributes to the Young Person's Guarantee and how this relates to funding from the Economy, Energy and Planning MEG.*

The Young Person's Guarantee (YPG) provides an umbrella structure that sits above Welsh Government funded programmes for young people, aiming to create a straightforward support journey for young people regardless of circumstances and background.

Funding to contribute to the delivery of the YPG in 2025-26 is across both the Education, and the Economy, Energy and Planning MEGs (c£1bn), including the significant budget allocated to Medr. It should also be noted some programmes are demand led, available to all-ages and some are funded over academic years rather than financial years.

A cross-Welsh Government official level Programme Board meets to scrutinise the effective policy direction and allocation of resources - feeding upward to the Employability and Skills Plan Board, also escalating relevant matters to Ministers as appropriate. An external Stakeholder Advisory Group also forms part of the scrutiny and advice process, alongside a Young Person's Advisory Board.

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

*Information on budget provision for the Sustainable Communities for Learning programme and progress of the programme to date, including expenditure and numbers of projects completed/approved to date under Band B.*

The second wave of investment (Band B) of the Sustainable Communities for Learning Programme commenced in April 2019 and included both capital and revenue grant funding streams with a commitment to invest £2.3bn (£1.8bn capital and £0.5bn revenue) which has delivered 129 projects.

Building on this investment, I recently approved new 9-year investment plans submitted by local authorities which identifies a further £4.5bn (at 2024) potential investment in new and refurbished schools across Wales along with £0.8bn in colleges.

***Confirmation that Band A is now complete and the final expenditure and number of projects.***

Band A is now complete with all 22 local authority areas and 10 colleges having benefitted from this major infrastructure investment programme. A total of £1.4bn was invested through Band A, with £0.72bn provided by the Welsh Government, which has supported the rebuild and refurbishment of 170 schools and colleges.

***An updated assessment of the implications of the cost of living, for example energy prices and construction costs, for the Sustainable Communities for Learning programme, including any impact on the progress and costs of projects.***

The increase in the Programme's budget from 2022-23 has helped mitigate the impact of inflation, allowing ongoing projects to continue progressing. However, the medium to long-term effects of inflation have hindered the ambition to accelerate the delivery of new schools and colleges. With inflation remaining moderately high, increased construction costs mean that the education estate in Wales is building and refurbishing fewer schools and colleges for the same level of funding.

The Programme delivers modern, fit for purpose, net zero carbon learning environments that are more energy efficient than the facilities they have replaced. This helps schools and colleges with their energy costs as well as reducing carbon emissions.

In support of the wider education estate in Wales, officials are in the final stages of an innovative Elemental Building Condition and Carbon Survey of every school and college. This will provide local authorities and further education institutions with a Net Zero Carbon Route Map for every school and college building. Implementation of the Route Map is intended to be integrated within school and college capital asset maintenance programmes. Over time, this will contribute towards more thermally efficient buildings with lower energy consumption and, therefore, lower utility costs for schools and colleges

***The financial implications from the Welsh Government's carbon net zero policies and how this affects the 2025-26 draft Education MEG.***

In response to the Welsh Government's commitment towards decarbonisation, all projects delivered through the Sustainable Communities for Learning Programme are required to be net zero carbon in operation as well as achieving a maximum value for embodied carbon brought about through materials and the construction process itself.

Experience gained through net zero carbon projects delivered to date identifies that around 12.5% on top of the construction cost is required to meet the Welsh Government's decarbonisation commitment.

In recognising the pressures faced by local authorities and further education institutions the Programme is meeting 100% of this 'extra-over' cost. This typically increases the Welsh Government contribution from 65% to 69%.

The proposed 8.1% capital increase in the 2025-26 draft budget will assist in mitigating the impact of implementation of next zero carbon standards across the Programme.

## **Capital funding for childcare**

*Information on capital funding from the Education MEG for the Childcare Offer and Flying Start programme and any allocations for the purposes of the commitment to roll out Flying Start childcare to all 2 year olds.*

The Childcare and Early Years Capital Programme has a draft budget allocation of £25m in 2025-26 and will continue to be funded from the Education MEG. The Programme will continue to support both the Flying Start and the Childcare Offer and aims to improve and grow new and existing childcare provisions across Wales, with particular emphasis on strengthening Welsh medium provisions.

The budget will be split into two distinct funding streams: small grants funding and major capital funding. Small grants funding of £10m will be available for all CIW registered childcare and play providers. The small grants element will be used to support works and equipment up to the value of £20,000.

A budget allocation of £15m will be available for major capital projects for proposals larger than £20,000. This will support projects such as small refurbishment works through to the introduction of extensions and standalone buildings for childcare provision.

## **Capital funding for the Community Focused Schools initiative**

*Information on arrangements for funding aimed at increasing the community focused nature of education estates and adapting premises for community use.*

Building on £60m investment for Community Focussed Schols over the last three years (2022-23 through to 2024-25), a further £20 million of capital funding has been allocated in the 2025-26 draft budget to continue supporting works that open up education facilities, benefitting the communities they serve.

### **3. Summary**

The Education MEG Draft Budget for 2025-26 is presented to the Committee for consideration.

Lynne Neagle MS

Cabinet Secretary for Education

Vikki Howells MS

Minister for Further and Higher Education

## 4. Annexes

### Annex A – Education MEG breakdown by Action and BEL for 2023-24, 2024-25 and 2025-26

Resource

Action	BEL Description	2023-24	2024-25			2025-26							
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
Curriculum	Curriculum & Assessment	35,410	14,512	14,492	15,008	14,512	10	14,522	0	1,730	7,500	0	23,752
<b>Total Curriculum</b>		<b>35,410</b>	<b>14,512</b>	<b>14,492</b>	<b>15,008</b>	<b>14,512</b>	<b>10</b>	<b>14,522</b>	<b>0</b>	<b>1,730</b>	<b>7,500</b>	<b>0</b>	<b>23,752</b>
Teaching and Leadership	Teacher Development and Support	72,488	30,128	30,363	31,258	30,128	17	30,145	0	4,089	0	0	34,234
	Teacher Development and Support - Non Cash	638	400	522	522	400	0	400	0	0	281	0	681
<b>Total Teaching and Leadership</b>		<b>73,126</b>	<b>30,528</b>	<b>30,885</b>	<b>31,780</b>	<b>30,528</b>	<b>17</b>	<b>30,545</b>	<b>0</b>	<b>4,089</b>	<b>281</b>	<b>0</b>	<b>34,915</b>
Pre-16 Education LA Support	Education Reform (LAEG)	0	58,956	58,956	58,956	58,956	0	58,956	0	-4,195	12,500	0	67,261
	School Standards (LAEG)	0	159,885	159,885	159,885	159,885	0	159,885	0	0	7,804	0	167,689
	Equity in Education (LAEG)	0	150,250	150,250	150,250	150,250	0	150,250	0	0	6,000	0	156,250
	Cymraeg 2050 (LAEG)	0	9,700	9,880	9,880	9,700	0	9,700	0	-1,100	0	0	8,600
<b>Total Pre-16 Education LA Support</b>		<b>0</b>	<b>378,791</b>	<b>378,971</b>	<b>378,971</b>	<b>378,791</b>	<b>0</b>	<b>378,791</b>	<b>0</b>	<b>-5,295</b>	<b>26,304</b>	<b>0</b>	<b>399,800</b>
Qualifications	Qualifications Wales	9,890	10,007	9,971	9,971	10,007	149	10,156	0	0	235	0	10,391

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
	Qualifications Wales - Non Cash	349	250	345	345	250	0	250	0	0	95	0	345
<b>Total Qualifications</b>		<b>10,239</b>	<b>10,257</b>	<b>10,316</b>	<b>10,316</b>	<b>10,257</b>	<b>149</b>	<b>10,406</b>	<b>0</b>	<b>0</b>	<b>330</b>	<b>0</b>	<b>10,736</b>
<b>Tertiary Education</b> (renamed from Post-16 Education)	Post -16 Provision (CTER)	579,955	565,885	186,501	186,535	565,885	0	565,885	-50	-565,835	0	0	0
	International Learning Exchange Programme	10,714	6,500	6,500	6,500	6,500	1	6,501	0	0	0	0	6,501
	Tertiary Education Policy & Implementation	3,937	6,000	1,174	1,174	6,000	44	6,044	0	-3,907	1,500	0	3,637
	Tertiary Education Policy & Implementation - Non Cash	445	728	0	0	728	0	728	0	0		-728	0
	Medr Programme Expenditure	0	0	520,856	520,856	0	18,170	18,170	0	757,298	29,213	0	804,681
	Medr Programme Expenditure - Non Cash	0	0	728	728	0	0	0	0	0	437	0	437
<b>Total Tertiary Education</b>		<b>595,051</b>	<b>579,113</b>	<b>715,759</b>	<b>715,793</b>	<b>579,113</b>	<b>18,215</b>	<b>597,328</b>	<b>-50</b>	<b>187,556</b>	<b>31,150</b>	<b>-728</b>	<b>815,256</b>
<b>Higher Education</b>	HEFCW-Programme Expenditure (CTER)	203,477	187,556	69,000	69,000	187,556	0	187,556	0	-187,556	0	0	0
	HEFCW-Programme Expenditure - Non Cash	15	100	100	100	100	0	100	0	0	0	-100	0

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
<b>Total Higher Education</b>		<b>203,492</b>	<b>187,656</b>	<b>69,100</b>	<b>69,100</b>	<b>187,656</b>	<b>0</b>	<b>187,656</b>	<b>0</b>	<b>-187,556</b>	<b>0</b>	<b>-100</b>	<b>0</b>
<b>Education Standards</b>	School Improvement Grant	165,570	0	0	0	0	0	0	0	0	0	0	0
	Raising School Standards	-14	0	0	0	0	0	0	0	0	0	0	0
	School Standards Support	2,744	3,126	3,186	3,282	3,126	17	3,143	0	0	0	0	3,143
<b>Total Education Standards</b>		<b>168,300</b>	<b>3,126</b>	<b>3,186</b>	<b>3,282</b>	<b>3,126</b>	<b>17</b>	<b>3,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,143</b>
<b>Tackling Barriers to Attainment</b>	Tackling Barriers to Attainment	141,957	13,885	13,885	14,052	13,885	6	13,891	0	0	0	0	13,891
<b>Total Tackling Barriers to Attainment</b>		<b>141,957</b>	<b>13,885</b>	<b>13,885</b>	<b>14,052</b>	<b>13,885</b>	<b>6</b>	<b>13,891</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,891</b>
<b>ICT &amp; Information Management Systems</b>	Supporting Digital Learning in Education	3,734	3,929	3,929	4,279	3,929	45	3,974	0	0	1,625	0	5,599
	Supporting Digital Learning in Education - Non Cash	2,487	2,488	2,488	2,488	2,488	0	2,488	0	0	2,242	0	4,730
<b>Total ICT &amp; Information Management Systems</b>		<b>6,221</b>	<b>6,417</b>	<b>6,417</b>	<b>6,767</b>	<b>6,417</b>	<b>45</b>	<b>6,462</b>	<b>0</b>	<b>0</b>	<b>3,867</b>	<b>0</b>	<b>10,329</b>
<b>Wellbeing of children and young people</b>	Additional Learning Needs	24,315	3,591	2,621	2,621	3,591	6	3,597	0	0	2,000	0	5,597
	Food & Nutrition in Schools	72,042	101,415	101,415	101,505	101,415	0	101,415	0	0	1,000	0	102,415
	Post 16 Specialist Placements	15,921	13,881	13,881	16,881	13,881	4	13,885	0	0	6,000	0	19,885
	Whole School Approach to Wellbeing	3,950	1,850	1,850	1,850	1,850	6	1,856	0	0	0	0	1,856
	Vulnerable Groups	485	920	920	1,044	920	3	923	0	0	0	0	923

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
<b>Total Wellbeing of children and young people</b>		<b>116,713</b>	<b>121,657</b>	<b>120,687</b>	<b>123,901</b>	<b>121,657</b>	<b>19</b>	<b>121,676</b>	<b>0</b>	<b>0</b>	<b>9,000</b>	<b>0</b>	<b>130,676</b>
<b>Post-16 learner support</b>	Student Support Grants	298,584	282,362	282,362	283,972	282,362	0	282,362	0	0	900	0	283,262
	Student Support Administration	20,310	18,143	18,143	20,831	18,143	4	18,147	0	0	0	0	18,147
	Student Loans Resource Budget Provision - Non Cash	-229,112	514,341	276,772	276,772	514,341	-237,569	276,772	0	0	0	-15,647	261,125
<b>Total Post-16 learner support</b>		<b>89,782</b>	<b>814,846</b>	<b>577,277</b>	<b>581,575</b>	<b>814,846</b>	<b>-237,565</b>	<b>577,281</b>	<b>0</b>	<b>0</b>	<b>900</b>	<b>-15,647</b>	<b>562,534</b>
<b>Pupil Engagement</b>	Tackling Disaffection	5,009	3,705	3,681	3,283	3,705	3	3,708	0	0	0	0	3,708
	Community Schools	7,531	375	375	467	375	1	376	0	0	0	0	376
<b>Total Pupil Engagement</b>		<b>12,540</b>	<b>4,080</b>	<b>4,056</b>	<b>3,750</b>	<b>4,080</b>	<b>4</b>	<b>4,084</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,084</b>
<b>Youth Engagement &amp; Employment</b>	Offender Learning	11,041	7,328	11,066	11,066	7,328	0	7,328	0	0	0	0	7,328
	Youth Engagement & Employment	13,843	11,376	15,076	15,076	11,376	1	11,377	0	0	0	0	11,377
<b>Total Youth Engagement &amp; Employment</b>		<b>24,884</b>	<b>18,704</b>	<b>26,142</b>	<b>26,142</b>	<b>18,704</b>	<b>1</b>	<b>18,705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,705</b>
<b>Delivery Support</b>	Education Communications	437	413	413	-63	413	0	413	0	0	0	0	413
	International Education Programme	525	524	524	524	524	0	524	0	-524	0	0	0
<b>Total Delivery Support</b>		<b>962</b>	<b>937</b>	<b>937</b>	<b>461</b>	<b>937</b>	<b>0</b>	<b>937</b>	<b>0</b>	<b>-524</b>	<b>0</b>	<b>0</b>	<b>413</b>
<b>Welsh in Education</b>	Welsh in Education	19,238	6,511	6,424	6,865	6,511	7	6,518	0	0	19	0	6,537
	Welsh in Education - Non Cash	4	0	0	0	0	0	0	0	0	0	0	0
<b>Total Welsh in Education</b>		<b>19,242</b>	<b>6,511</b>	<b>6,424</b>	<b>6,865</b>	<b>6,511</b>	<b>7</b>	<b>6,518</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>6,537</b>

Action	BEL Description	2023-24	2024-25			2025-26							
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
<b>Estate &amp; IT Provision</b>	Education Infrastructure	11,656	8,900	8,900	9,724	8,900	3	8,903	0	0	6,858	0	15,761
<b>Total Estate &amp; IT Provision</b>		<b>11,656</b>	<b>8,900</b>	<b>8,900</b>	<b>9,724</b>	<b>8,900</b>	<b>3</b>	<b>8,903</b>	<b>0</b>	<b>0</b>	<b>6,858</b>	<b>0</b>	<b>15,761</b>
Estyn	Estyn - Programme Expenditure	16,175	15,893	15,817	15,849	15,893	168	16,061	0	0	406	0	16,467
	Estyn - Programme Expenditure - Non Cash	234	200	276	276	200	0	200	0	0	76	0	276
<b>Total Estyn</b>		<b>16,409</b>	<b>16,093</b>	<b>16,093</b>	<b>16,125</b>	<b>16,093</b>	<b>168</b>	<b>16,261</b>	<b>0</b>	<b>0</b>	<b>482</b>	<b>0</b>	<b>16,743</b>
<b>Total Fiscal Resource</b>		<b>1,750,924</b>	<b>1,697,506</b>	<b>1,722,296</b>	<b>1,732,381</b>	<b>1,697,506</b>	<b>18,665</b>	<b>1,716,171</b>	<b>-50</b>	<b>0</b>	<b>83,560</b>	<b>0</b>	<b>1,799,681</b>
<b>Total Non-Fiscal Resource</b>		<b>-224,940</b>	<b>518,507</b>	<b>281,231</b>	<b>281,231</b>	<b>518,507</b>	<b>-237,569</b>	<b>280,938</b>	<b>0</b>	<b>0</b>	<b>3,131</b>	<b>-16,475</b>	<b>267,594</b>
<b>EDUCATION - TOTAL RESOURCE BUDGET</b>		<b>1,525,984</b>	<b>2,216,013</b>	<b>2,003,527</b>	<b>2,013,612</b>	<b>2,216,013</b>	<b>-218,904</b>	<b>1,997,109</b>	<b>-50</b>	<b>0</b>	<b>86,691</b>	<b>-16,475</b>	<b>2,067,275</b>

Capital

Action	BEL Description	2023-24	2024-25			2025-26						
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s												
<b>Estate &amp; IT Provision</b>	Education Infrastructure	322,992	343,400	341,827	349,107	343,400	0	343,400	0	27,600	0	371,000
<b>Total Estate &amp; IT Provision</b>		<b>322,992</b>	<b>343,400</b>	<b>341,827</b>	<b>349,107</b>	<b>343,400</b>	<b>0</b>	<b>343,400</b>	<b>0</b>	<b>27,600</b>	<b>0</b>	<b>371,000</b>
<b>Post-16 Learner Support</b>	Student Support Administration	5,137	2,500	2,500	5,278	2,500	0	2,500	0	0	0	2,500
<b>Total Post-16 learner support</b>		<b>5,137</b>	<b>2,500</b>	<b>2,500</b>	<b>5,278</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>
<b>Higher Education</b>	HEFCW- Programme Expenditure	3,438	100	100	0	100	0	100	-100	0	0	0
<b>Total Higher Education</b>		<b>3,438</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tertiary Education</b>	Medr - Programme Expenditure	0	0	1,200	1,200	0	0	0	100	400	0	500
	Post Compulsory Educ. & Training Reform	1,884	0	0	0	0	0	0	0	0	0	0
<b>Total Tertiary Education</b>		<b>1,884</b>	<b>0</b>	<b>1,200</b>	<b>1,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>400</b>	<b>0</b>	<b>500</b>
<b>Qualifications</b>	Qualifications Wales	249	250	250	250	250	0	250	0	0	0	250
<b>Total Qualifications</b>		<b>249</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>
<b>Teaching and Leadership</b>	Teacher Development and Support	205	0	0	0	0	0	0	0	0	0	0
<b>Total Teaching and Leadership</b>		<b>205</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Welsh in Education</b>	Welsh in Education	13	0	0	0	0	0	0	0	0	0	0
<b>Total Welsh in Education</b>		<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Estyn</b>	Estyn - Programme Expenditure	174	250	250	250	250	0	250	0	0	0	250

Action	BEL Description	2023-24	2024-25			2025-26						
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s												
<b>Total Estyn</b>		174	250	250	250	250	0	250	0	0	0	250
<b>EDUCATION - TOTAL GENERAL CAPITAL BUDGET</b>		334,092	346,500	346,127	356,085	346,500	0	346,500	0	28,000	0	374,500
<b>Estate &amp; IT Provision</b>	Education Infrastructure - FT	20,438	2,788	2,032	2,032	2,788	-2,788	0	0	0	0	0
	Education Infrastructure - Repayment	-672	-686	-1,686	-1,686	-686	686	0	0	0	-1,701	-1,701
<b>Total Estate &amp; IT Provision</b>		19,766	2,102	346	346	2,102	-2,102	0	0	0	-1,701	-1,701
<b>EDUCATION - TOTAL FT CAPITAL BUDGET</b>		19,766	2,102	346	346	2,102	-2,102	0	0	0	-1,701	-1,701
<b>EDUCATION - TOTAL CAPITAL BUDGET</b>		353,858	348,602	346,473	356,431	348,602	-2,102	346,500	0	28,000	-1,701	372,799

Annually Managed Expenditure (AME)

Action	BEL Description	2023-24	2024-25			2025-26		
		Final Outturn	Final Budget (September 2024)	1st Supplementary Budget (Oct 2024)	Forecast Outturn (Period 6)	2024-25 Final Budget Restated September 2024	Changes	Draft Budget (Dec 2024)
£000s								
Estate & IT Provision	Education Infrastructure - AME	-46	0	0	0	0	0	0
<b>Total Estate &amp; IT Provision</b>		<b>-46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Student Loans - AME	Student Loans - AME - Resource	-206,676	6,584	-105,079	-105,079	6,584	-107,426	-100,842
<b>Total Post-16 learner support</b>		<b>-206,676</b>	<b>6,584</b>	<b>-105,079</b>	<b>-105,079</b>	<b>6,584</b>	<b>-107,426</b>	<b>-100,842</b>
<b>EDUCATION - TOTAL AME RESOURCE BUDGET</b>		<b>-206,722</b>	<b>6,584</b>	<b>-105,079</b>	<b>-105,079</b>	<b>6,584</b>	<b>-107,426</b>	<b>-100,842</b>
Student Loans - AME	Student Loans - AME - Capital	1,349,500	1,285,227	1,519,101	1,503,817	1,285,227	67,936	1,353,163
<b>Total Post-16 learner support</b>		<b>1,349,500</b>	<b>1,285,227</b>	<b>1,519,101</b>	<b>1,503,817</b>	<b>1,285,227</b>	<b>67,936</b>	<b>1,353,163</b>
<b>EDUCATION - TOTAL AME CAPITAL BUDGET</b>		<b>1,349,500</b>	<b>1,285,227</b>	<b>1,519,101</b>	<b>1,503,817</b>	<b>1,285,227</b>	<b>67,936</b>	<b>1,353,163</b>
<b>EDUCATION - TOTAL AME BUDGET</b>		<b>1,142,778</b>	<b>1,291,811</b>	<b>1,414,022</b>	<b>1,398,738</b>	<b>1,291,811</b>	<b>-39,490</b>	<b>1,252,321</b>

## Annex B – Education MEG revenue allocations for 2025-26

Education MEG: Revenue Budget Changes	BEL	2025-26 £000s
<b>Recurrent Revenue Allocations from Reserves:</b>		
<b>Additional Allocations</b>		
Attainment - Literacy & Numeracy	Curriculum & Assessment	7,500
	Education Reform (LAEG)	2,500
ALN implementation and delivery	Education Reform (LAEG)	10,000
	Additional Learning Needs	2,000
Post-16 Specialist Placements (further £3.7m non-recurrent)	Post 16 Specialist Placements	2,329
School Standards	School Standards (LAEG)	7,804
Attendance in schools - FEOs, CFS and enrichment & engagement, SHEP	Equity in Education (LAEG)	6,000
	Food & Nutrition in Schools	1,000
Attendance & Participation - Seren Programme and Tertiary Education participation & reform policy development including response to the Vocational Qualifications Review, Transitions to Employment Report, & Review of ITE in FE	Tertiary Education Policy & Implementation	1,500
Anticipated increased post-16 participation and 24/25 academic year funding cover	Medr Programme Expenditure	11,882
Attendance & Participation (Post-16) - additional Mental Health Support in FE & HE	Medr Programme Expenditure	2,000
Attendance & Participation (Post-16) - EMA (increase to household income threshold). (Total cost £2.9m with £2m funded within the BEL)	Student Support Grants	900
Hwb national platform	Supporting Digital Learning in Education	1,325
<b>Total Additional Allocations</b>		<b>56,740</b>
<b>Public Sector Pay</b>		
Qualifications Wales	Qualifications Wales	235
FEIs and School Sixth Forms (2024/25 pay award)	Medr Programme Expenditure	3,031
FEIs and School Sixth Forms	Medr Programme Expenditure	12,000
Medr	Medr Programme Expenditure	300
Hwb programme	Supporting Digital Learning in Education	300
Adnodd	Welsh in Education	19
Estyn	Estyn - Programme Expenditure	406
<b>Total Pay Allocations</b>		<b>16,291</b>
<b>Total Recurrent Revenue Allocations from Reserves</b>		<b>73,031</b>
<b>Non-Recurrent Revenue Allocations from Reserves:</b>		
<b>Allocations</b>		
Post 16 Specialist Placements (VAT impact)	Post 16 Specialist Placements	3,671
Mutual Investment Model (MIM)	Education Infrastructure	6,858
<b>Total Non-Recurrent Revenue from Reserves</b>		<b>10,529</b>
<b>Total Revenue Transfers from Reserves</b>		<b>83,560</b>

**Annex C – 2024-25 LAEG allocations by strand and local authority**

24-25 LAEG	School Standards £	Equity £	Reform £	Cymraeg 2050 £	Total £
Anglesey	3,450,216	2,247,447	1,472,670	347,736	7,518,069
Gwynedd	5,835,680	3,771,419	2,340,976	658,276	12,606,351
Conwy	5,101,403	4,317,484	2,146,468	387,618	11,952,973
Denbighshire	5,197,274	4,769,096	2,117,071	383,195	12,466,636
Flintshire	7,723,294	5,708,863	2,849,182	398,258	16,679,597
Wrexham	6,828,796	6,511,459	2,510,571	406,743	16,257,570
Powys	6,066,682	3,963,612	2,384,984	522,175	12,937,453
Ceredigion	3,268,324	2,449,170	1,426,363	380,544	7,524,401
Pembrokeshire	6,049,206	4,143,390	2,267,237	407,471	12,867,304
Carmarthenshire	9,325,701	7,586,147	3,396,786	639,342	20,947,977
Swansea	12,474,646	12,664,576	4,117,657	602,382	29,859,262
NPT	7,214,590	7,958,630	2,676,555	443,616	18,293,390
Bridgend	7,577,401	7,731,418	2,869,781	414,232	18,592,832
Vale of Glamorgan	7,704,223	5,528,892	2,765,822	401,531	16,400,468
RCT	12,781,493	11,917,097	4,515,816	693,934	29,908,340
Merthyr Tydfil	3,370,580	3,365,300	1,375,192	207,541	8,318,612
Caerphilly	9,495,777	9,986,049	3,331,377	516,312	23,329,515
Blaenau Gwent	3,567,851	3,379,571	1,409,291	187,959	8,544,672
Torfaen	4,839,216	4,901,377	1,875,440	301,651	11,917,684
Monmouthshire	3,715,910	2,566,379	1,583,987	286,551	8,152,827
Newport	9,226,708	9,412,191	3,156,381	497,407	22,292,687
Cardiff	19,070,043	25,379,051	6,366,387	797,540	51,613,020
<b>Wales</b>	<b>159,885,014</b>	<b>150,258,616</b>	<b>58,955,996</b>	<b>9,882,017</b>	<b>378,981,643</b>

## Annex D – 2024-25 UPFSM allocations by local authority

Local Authority	UPFSM Grant Allocation 2024-25
Isle of Anglesey	£2,074,683
Gwynedd	£3,450,161
Conwy	£2,928,023
Denbighshire	£2,883,223
Flintshire	£4,679,504
Wrexham	£4,037,366
Powys	£3,851,231
Ceredigion	£1,985,083
Pembrokeshire	£3,848,031
Carmarthenshire	£5,945,114
Swansea	£5,938,995
Neath Port Talbot	£3,662,963
Bridgend	£4,344,989
The Vale of Glamorgan	£4,772,305
Rhondda Cynon Taf	£7,681,128
Merthyr Tydfil	£2,092,283
Caerphilly	£5,373,910
Blaenau Gwent	£1,897,615
Torfaen	£2,626,688
Monmouthshire	£2,700,288
Newport	£5,329,643
Cardiff	£10,652,352
<b>Wales</b>	<b>£92,755,577</b>