

Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Huw Lewis AM
Minister for Education and Skills
Welsh Government

23 October 2013

Dear Minister

Welsh Government Draft Budget Proposals 2014-15

I wish to thank you, the Deputy Minister and your officials for attending the Enterprise and Business Committee meeting on 17 October as part of our scrutiny of the Welsh Government's Draft Budget Proposals 2014-15.

As I mentioned during the meeting, we are grateful that your budget paper was detailed and responded to the requests set out in my letter to you dated 5 August 2013 for information on preventative spend and prioritisation of Programme for Government commitments.

The main focus of our budget scrutiny this year has been on budget prioritisation and value for money. Our scrutiny has also concentrated on whether your policies have contributed to achieving your three cross-cutting themes of jobs and growth, educational attainment and supporting children, families and deprived communities.

The Committee has made a number of recommendations for your considered response.

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We are also sending this letter to the Chair of the Finance Committee to inform that Committee's overarching strategic scrutiny of the Draft Budget. Both this letter and your response will be published on our website.

Prioritisation – post 19 skills education and women learners

We appreciate that you have had to make difficult decisions this year to manage the 4.7 per cent actual reduction in the Education and Skills budget. It was confirmed in the evidence session that Welsh Government funding for 16 to 18 year olds in further education will be prioritised over that for those aged 19 years and above.

Recommendation 1

Please could you provide us with your assessment of the effect of your budget proposals on the numbers of students and numbers of courses in the post-19 cohort?

Given that grant levels and eligibility thresholds will be frozen for all student finance grants (for example, Assembly Learning Grants, Targeted grants and part-time grants) from 2014-15 until 2016-17, we are very concerned that this could result in a “double disadvantage” for female learners. This is because female students make up a larger proportion of learners overall and because women make up a greater proportion of older learners (aged 19 plus). Indeed, this is recognised in the Welsh Government's Equality Impact Assessment of changes in full-time education provision.

Recommendation 2

We welcome your commitment to monitor and evaluate the impact of your budget proposals on female learners over the age of 19 and we would like to receive details from you on how you propose to carry out that monitoring and evaluation and over what timescale.

Prioritisation – post 19 skills education and female apprenticeships

Regarding funding for apprenticeships, the Deputy Minister said that future support would be targeted at priority areas and he listed some non-priority sectors such as hair, beauty, retail and business administration. Again females tend to dominate these sectors.

Recommendation 3

We would like to have a better understanding of the Welsh **Government's rationale for** prioritising support for certain apprenticeships, the likely impact of decreased support for non-priority apprenticeships on women in particular, and clarity regarding how the savings will be reinvested in other areas, and with what intended outcomes.

Value for Money – reconfiguration of higher education

There is no planned increase in the indicative higher education budget for 2014-15, and we know that the Assembly's Finance Committee will be carrying out an inquiry into the funding of higher education later this term. You kindly agreed to provide information about the breakdown of savings made as a result of higher education mergers which have occurred over the last ten years.

Recommendation 4

We should be grateful to receive detailed information regarding the costs of the higher education reconfiguration policy over the last ten years and what evaluation has been undertaken to check whether the mergers have been good value for money.

Value for Money – Financial Contingency Fund

You also offered to provide us with a copy of the evaluation study of Financial Contingency Funds, undertaken by Oldbell3 last summer.

There were two other areas which you said you would be monitoring and evaluating in the near future:

- the widening access to higher education resource; and
- any potential impact in Wales of the policy in England not to restrict the numbers of "ABB" higher education students on individual courses.

Recommendation 5

We would be grateful to receive updates on these two areas as soon as possible.

Budgetary processes

Unfortunately we ran out of time during the scrutiny session to ask you about sustainable development appraisals.

Recommendations 6 and 7

We should be grateful if you could provide us with a note on whether a sustainable development appraisal of your departmental budget was carried out as part of the budget planning process, and if yes, what changes were made as a result.

We should also like to know how your **department's resources will be** used to deliver the sustainable development commitments contained in the Programme for Government, and how the relevant outcomes will be measured.

Thank you for assisting the Committee in our scrutiny work, and we look forward to receiving your response to the points raised in this letter as soon as possible.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick', with a horizontal line underneath it.

Nick Ramsay AM
Chair, Enterprise and Business Committee

cc Jocelyn Davies AM
Chair, Finance Committee