

Huw Lewis AM
Minister for Education and Skills
&
Julie James AM
Deputy Minister for Skills and Technology

29 October 2015

Budget Scrutiny

Dear Ministers

Thank you for agreeing to attend a meeting of the Children, Young People and Education Committee as part of the scrutiny process for the Welsh Government's budget.

In advance of that meeting, the Committee would be grateful if you could provide information on the following issues to assist it in its scrutiny work.

Commentary on Actions and detail of Budget Expenditure Line (BEL) Allocations

- The Committee would again welcome commentary on each of the Actions within the Education and Skills (E&S) Main Expenditure Group (MEG), including an analysis and explanation of significant changes since the 2015-16 First Supplementary Budget (June 2015), as has been provided in recent years.
- Breakdown of the 2016-17 E&S MEG by Spending Programme Area, Action and BEL, with 2015-16 First Supplementary Budget allocations and projected outturns, and 2014-15 final outturns, all included.

Programme for Government and education priorities

- How the E&S MEG aligns with the Welsh Government's Programme for Government (PfG) commitments and how budgets within your portfolio have been prioritised in light of these.
- Whether your three education priorities remain increasing standards in literacy, increasing standards in numeracy, and tackling the link between deprivation and attainment, and how budgets have been prioritised



accordingly: both in terms of prioritising these three areas over other aspects within E&S and the respective weighting given to each of the three priorities themselves.

- The prospects for delivery and affordability of PfG commitments in your portfolio, including any assessments undertaken of these.
- How the delivery of relevant PfG commitments and their associated outcomes are monitored and evaluated to demonstrate value for money.
- Details of any opportunity cost exercises undertaken in respect of relevant PfG commitments and the three education priorities.

Preventative spending

As in previous years, the Committee wishes to consider preventative spending as part of its scrutiny of the Draft Budget 2016-17. The definition of preventative spending used for this purpose is:

...spending which focuses on preventing problems and eases future demand on services by intervening early, thereby delivering better outcomes and value for money.

With this definition in mind, the Committee requests information on:

- The proportion (if calculable) of the E&S budget allocated to preventative spending measures and details of specific policies or programmes that are intended to be preventative.
- How the value for money of such programmes is evaluated, with a particular focus on specific inputs and intended outcomes.
- How the Department is reaching a balance between preventative spending and meeting more immediate objectives (accepting these may often not be mutually exclusive).

Costs of legislation

- Information on the costs and financial implications of recently passed, current, and planned Assembly legislation relating to Education and Skills, which are likely to impact in 2016-17. These include the *School Standards and Organisation (Wales) Act 2013*, the *Further and Higher Education (Governance and Information) (Wales) Act 2014*, the *Education (Wales) Act 2014*, the *Higher Education (Wales) Act*, the *Qualifications Wales Act 2015* and the Draft Additional Learning Needs and Educational Tribunal (Wales) Bill.
- Information on the impact on the E&S budget of any relevant UK legislation.



- Costs and financial implications of any subordinate legislation or previous Measures, where these are significant and affect 2016-17.

Children's rights and other cross-cutting considerations

The Committee also requests information on how equalities, sustainability, Welsh language and children's rights issues have been considered in budget allocations. For the 2015-16 budget, an overall Strategic Integrated Impact Assessment (SIIA) was published rather than individual impact assessments by each department. Depending on the Welsh Government's intended approach for 2016-17, the Committee would like:

- A copy of the Child's Rights Impact Assessment undertaken to inform the allocations in the E&S MEG within the Draft Budget 2016-17;
- Details of what changes if any were made to allocations within the E&S MEG as a result of the Child's Rights Impact Assessment;
- Information on how equalities (including ethnic minorities and gypsy travellers in respect of the Education Improvement Grant), sustainability, and the Welsh language have been considered in budget allocations; any examples where such considerations have directly influenced budget allocations or altered initial proposals.

Specific areas

The Committee requests information on the following specific areas:

1% budget protection for schools

- The arrangements in place for delivering the PfG commitment that spending on Wales' schools is increased by at least 1% above the percentage change in the block grant received from the UK Government.
- A similar breakdown to what was provided in Annex E of the narrative on the 2015-Draft Budget on how the delivery of this commitment is calculated up to 2016-17.
- A similar breakdown of funding streams within the E&S MEG that make up this element of delivering the 1% commitment, to what was provided in your letter dated 11 November 2014.
- Given that the large majority of school funding is contained outside of the E&S MEG and channelled through the local government Revenue Support Grant (RSG), how you and your department work with the Minister for Public Services and his department to encourage and ensure local authorities deliver on their aspect of the 1% commitment.



Pupil Deprivation Grant (PDG)

- Details of any evaluation of the affordability, value for money and opportunity cost of the PDG policy.
- How the Year 1 report of WISERD's evaluation published in October 2014, and any subsequent analysis have influenced policy towards the PDG.
- Any analysis of the particular impact and value for money of the extension of PDG to under 5 year olds from 2015-16.
- Any analysis of the particular impact and value for money of the PDG in respect of looked after children.
- The arrangements in place for monitoring the use of PDG funds and, where necessary, taking action to address inappropriate use.

Schools Challenge Cymru

- Explanation of the funding for the Schools Challenge Cymru programme and the relationship between academic year and financial year (ie was Year 1 financial year 2014-15 and academic year 2014/15 etc?);
- The anticipated length of the programme, both original and current, if different;
- Details of the programme's budget for each year to date, from where this was sourced and any planned expenditure in 2016-17;
- How the value for money of Schools Challenge Cymru is being evaluated, particularly the allocations to the regional consortia.
- What criteria has been set for use of Schools Challenge Cymru funds and what target outcomes have been set.
- Financial implications of the 'Pupil Offer'.

Education Improvement Grant

- What assessment has been undertaken of the impact of rationalising a number of previous grants into the single Education Improvement Grant (EIG) in 2015-16, in particular the impact on local authorities' non-statutory responsibilities such as those towards minority ethnic and gypsy traveller children.
- Any evaluation of value for money and outcomes under the new EIG compared with under previously ring-fenced grants, or any plans to undertake such an exercise in the near future.



Qualifications

- Information on how the continuing implementation of the Review of 14 to 19 Qualifications is accounted for in budgets for 2016-17.
- Allocations to Qualifications Wales and how the additional costs of the new qualifications regulatory system in Wales will be met within 2016-17 and beyond.

Curriculum

- Budget provision in 2016-17 for implementing Professor Graham Donaldson's Curriculum and Assessment Review.
- Comments on the long-term nature of implementation and the sustainability of funding to support this.
- Whether funding for implementing the Review is additional to the education and skills budget or whether it has to be found within existing resources.

Qualified for Life

- The Committee understands that the Educational Improvement Plan, *Qualified for Life*, is a bringing together of many policies and initiatives and, therefore, funding to deliver the plan is contained within a number of different Education and Skills budgets.
- However, the Committee would be interested in your comments on what arrangements are in place to ensure sufficient funding is in place to deliver the improvement plan and how this funding is distributed across budget lines.

Regional consortia and Hill Review

- Information on budget provision for the four regional consortia and explanation of how this is made up of Welsh Government and local authority contributions.
- Arrangements in place for assessing value for money and impact of the regional consortia.

(You will be aware the Committee is undertaking a short inquiry on the subject of regional consortia)

- Budget provision for any outstanding work implementing Robert Hill's review of *The Future Delivery of Education Services in Wales* and explanation of how this is reflected across the E&S MEG.



Initial Teacher Training

- Budget provision for implementation work arising from Professor John Furlong's Review of Initial Teacher Training.

Teachers' Continuing Professional Development

- Budget provision for implementing the national model of professional learning ('The New Deal') and the Professional Learning Passport.
- Comments on the respective financial implications for the Welsh Government and the Education Workforce Council.

Capital funding for school building improvements

- Budget provision for the 21st Century Schools Programme.
- An update of targets and timescales for delivering the first wave of the programme.
- Arrangements for monitoring the affordability for local authorities of financing the match-funding element and the future viability of projects.

Welsh-medium education

- Budget provision to support the implementation of the Welsh Government's Welsh-medium education strategy and local authorities' Welsh in Education Strategic Plans (WESPs).
- Whether and/or how the budget provision is influenced by the rate of progress reported in recent annual reports on the Welsh-medium education strategy.
- Details of funding for the Welsh for Adults programme, and how the allocations reflect the setting up of the National Entity to lead that programme.

Note: The Communities, Equality and Local Government (CELG) Committee is requesting information from the First Minister on budget provision for promoting the Welsh language as it is his portfolio responsibility and falls within that Committee's remit, although the budget, as of 2015-16, is within the E&S MEG. For the purposes of draft budget scrutiny, the CYPE Committee will cover Welsh-medium education while the CELG Committee will cover the Welsh language generally.

Additional Learning Needs (ALN)

- Budget provision for further development work ahead of the planned introduction of legislation early in the Fifth Assembly.



- The financial implications of publishing a draft Bill for consultation during 2015-16 rather than introducing an actual Bill.
- Whether and/or how the Deloitte study documented in the Regulatory Impact Assessment, published alongside the Draft Additional Learning Needs and Education Tribunal (Wales) Bill, influences budget provision for ALN in 2016-17.
- Information on the arrangements for funding the training of educational psychologists in Wales and an update on work to identify a sustainable model for the longer term. (In light of your statement on 23 September 2015 regarding the agreement to fund the Doctorate in Educational Psychology (DEdPsy) Programme at Cardiff University, which is the only such course in Wales.)

Inclusion and pupil support

- Details of any specific funding for Inclusion and Pupil Support and the financial implications of revising the guidance and subsequent implementation.
- Details of any funding streams from the Department for Education and Skills for Education Other Than At School (EOTAS) and some brief commentary on this in the context of the University of Edinburgh's research published in 2013 and the review Estyn have been remitted to carry out in 2015-16.

Further education

- The impact on further education colleges of their 2014-15 and 2015-16 allocations and what engagement has taken place with the sector to discuss their 2016-17 allocations.
- What assessment has been undertaken of colleges' capacity to absorb reductions in funding in recent years and the impact on learners.
- In 2014-15 and 2015-16, the Welsh Government sought to protect 16 to 18 year old learners from reductions to the post-16 budget. The Committee would welcome an explanation of how this has worked in practice and any assessment of the impact on 16-18 year olds and older learners respectively.
- A breakdown, for 2015-16 and if available yet for 2016-17, of the Welsh Government Learning Grant (WGLG) Budget Expenditure Line (BEL) [title in 2015-16] which includes the Educational Maintenance Allowance, WGLG HE and WGLG FE.
- Provision for financial contingency funds in further education and whether allocations have been affected at all by the *Care to Learn* pilot feasibility



scheme, supporting students with childcare costs, and the *Young Persons Discounted Travel Scheme*. (The Committee recognises responsibility for either scheme is not within your portfolio but is asking because childcare and transport account for the two largest uses of financial contingency funds.)

Higher education

- Budget provision for Higher Education revenue and an updated assessment of income available to the higher education sector, including HEFCW and the Coleg Cymraeg Cenedlaethol.
- Implications in 2016-17 of the new regime of governance and controls established by the *Higher Education (Wales) Act 2015*.
- An update on the latest modelling of the costs of the Tuition Fee Grant and an assessment of the affordability, value for money and opportunity cost of the policy. In addition:
 - The amount in tuition fee grants paid in respect of students attending Welsh institutions and institutions outside Wales respectively in previous years.
 - Estimated costs for 2016-17.
- Explanation of where, in the E&S MEG, tuition fee grant payments are reflected and a description of what the following BELs finance:
 - Higher Education Revenue
 - Maintenance Loans Res Budget Provision
 - Student Loans Capital AME
 - Student Loans Revenue AME
- The Welsh Government's policy regarding the Welsh student loan book and any implications on the value of this as a financial asset from the planned sale of the first tranche of the pre-Browne income contingent loan book in England.
- Provision of financial contingency funds in higher education and confirmation of arrangements from academic year 2015/16. (The Committee understands that HEIs will be expected to finance 'hardship funds' for their students from their own resources from academic year 2015/16.)

Note: 'Higher Education' is listed under the remit of both the CYPE Committee and the Enterprise and Business (E&B) Committee, following the [change to Committee portfolios and responsibilities in January 2014](#). The CYPE Committee will focus on overall funding, governance and student support issues whilst the E&B



Committee will focus more on the contribution of higher education to the economy and skills.

The Committee would be grateful to receive the information requested above by **Thursday 10 December**.

With many thanks for assisting us in our scrutiny work.

Regards

A handwritten signature in black ink that reads "Ann Jones". The signature is written in a cursive style with a large initial 'A'.

Ann Jones AC / AM
Cadeirydd / Chair

