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Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-06-1494
Ein cyf/Our ref LN/00134/25

Carolyn Thomas MS
Chair - Petitions committee

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14 April 2025

Dear Carolyn,

Thank you for your letter of 3 February regarding Petition P-06-1494 Welsh Government to protect funding in education from WG and Local Authority cuts, following your consideration of the petition on 20 January and further correspondence from the petitioner, Catherine Drews, to the Committee on 13 January.

Regarding ring-fencing of funding to protect education within local authority budgets, decisions on the level of funding available to schools and to other services are made by each authority as part of their overall budget and council tax setting. This is in line with the Welsh Government's policy that local authorities are best placed to judge local needs and circumstances and to fund schools accordingly.

Local authorities and schools are responsible for providing a suitable education for all learners, including those with additional learning needs (ALN). It is for local authorities to determine how to spend the total resources available to them in order to best meet their local needs. Local authorities are however, expected to work with schools to ensure school funding arrangements are effective in supporting and raising the achievement of all learners, regardless of their needs. Schools have the opportunity to influence their local authority's decisions on school budgets by engaging in dialogue with authorities including through their budget forum, which is required in law. Once local authorities set budgets for their schools, management of those budgets is the responsibility of the school's governing body.

In determining the overall levels of funding for local government, Welsh Government took into account the pressures local authorities were reporting in budget discussions. In particular, we were conscious of the powerful points local authority partners and schools have made around pressures in ALN and wider education provision. Local government stressed the pressures on front line services, including demand and inflationary pressures, notably pay, across the breadth of local authority responsibilities.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Despite significant budget pressures we have continuously prioritised public services. The 4.5% increase to the Local Government Settlement for 2025-26, builds on previous increases of 9.4% in 2022-23, 7.9% in 2023-24, and 3.3% in 2024-25.

On 7 February I published the [Review of School Funding Formula in Wales](#), which provides a summary of an in-depth analysis of local authority funding formulae across Wales. The aim of this analysis was to understand the complexities and decision-making processes in relation to school funding formulae. The published report includes recommendations that we will take forward to address the findings of the review, this includes a recommendation around ALN funding. This review and its recommendations will enable us to consider how the system can be improved to make a fairer funding system across Wales, to enable more transparent, comparable and consistent funding across Welsh schools.

In addition to the un-hypothecated funding through the local government settlement, hypothecated funding is provided for education through grants. Grant funding is useful in allowing Welsh Government to target specific areas, projects, or initiatives that align with its priorities. Grants often come with specific conditions and reporting requirements, and are a way of providing additional ringfenced support to the education sector.

I have prioritised funding for schools within the Education Budget. On 5 March I [announced](#) a further £20m for schools across Wales. This is in addition to previous announcements which will see funding provided through the Local Authority Education Grant increasing to £435.5m in 2024-25. For 2025-26, over £402m will also be provided through the Local Authority Education Grant. This grant funding does not include the extra money we give to local authorities for our demand-led schemes including UPFSM and School Essentials Grant.

Through additional in-year funding and the 2025-26 Final Budget, the education sector is set to benefit from an additional £262.5m in funding, with schools, colleges and other settings receiving funding to help meet the needs of learners across Wales. The funding will be made up of £151m additional funding for 2024-25 and £111.5m additional funding allocated in the 2025-26 Final Budget.

Additional hypothecated funding has been granted for a number of purposes, to underpin the infrastructure, enable implementation, and increase provision to support ALN learners. This funding is allocated through the Education Reform element of the Local Authority Education Grant (LAEG), which supports reforms across schools and settings, supporting four policy areas: Curriculum for Wales, ALN, Professional Learning and Leadership and the Whole School Approach.

As mentioned in my previous letter to the committee, I announced additional in year funding, which included an additional £10m to support local authorities and schools in delivering provision for learners with ALN across Wales, and £5m to be directed to schools to increase the capacity of the Additional Learning Needs Co-ordinators (ALNCo's) and to prepare to move them to the senior management / leadership team. This funding has been allocated through the LAEG, increasing the 2024-25 ALN grant from £22m to £37m.

To continue this investment in ALN reform, the 2025-26 Final Budget maintains the £10m uplift to support local authorities and schools in delivery of provision for learners with ALN, taking the 2025-26 ALN funding, through the LAEG, up to £32m. This funding is allocated to support:

- [Funding for ALN Provision](#) - In response to growing demand and complexity of need, funding is provided to increase additional learning provision for children and young

people to improve planning, appropriate workforce and access to high quality provision for learners with ALN.

- Funding for ALN Quality and Delivery – Local Authorities - To continue funding support costs associated with implementing and embedding the ALN system, maintain ALN processes including quality assurance and Person-Centred Practice (PCP) and support local authorities and schools to deliver their statutory duties under ALNET.
- Funding for ALN Quality and Delivery – Schools - To continue funding support costs associated with implementing and embedding the ALN system, improve the planning and provision to support high quality teaching and learning and support schools to deliver their statutory duties under ALNET.

We understand that having a medical diagnosis for neurodiverse conditions, like autism, can help people of all ages gain a greater understanding of their condition and to help find strategies that work for them. Demand for neurodivergence services has grown significantly in recent years and the Welsh Government is committed to tackling long waiting times for diagnosis. A National Neurodivergence Improvement Programme is in place to transform neurodivergence services and on 3 February 2025 the Mental Health and Wellbeing Minister announced an investment of £13.7m to extend the work of this Programme and to support the [National Neurodivergence Team](#) until March 2027. This funding builds on the £12m invested in the Programme over the past three years and the £3m already announced to reduce the longest waiting times for children's assessments.

Our ALN reforms aim for long-term systemic change so children and young people with ALN receive the support they need. For lots of learners and families this is working well and as evidenced by Estyn in their recent [thematic review](#), the requirements of ALN reform are starting to ensure improvements in provision for pupils with ALN across the country and there is much excellent practice. I remain concerned, however, that it is not working for all learners which is why we are working with key partners on improvements aimed at addressing the challenges that remain.

Regarding attendance, all parents and carers have a legal responsibility to ensure their child regularly attends school. There are often complex and multiple factors lying behind non-attendance. These could include mental health and wellbeing, availability of specific learning support services, and the ever-rising cost of living and attitudes of parents and learners towards school attendance generally.

Fixed penalty notices (FPN) should be used as part of a package of intervention and support strategies to improve attendance. It should also be considered whether a fine will be effective in getting a child back to school.

We remain clear that fines are to be used in only the most extreme cases, as part of a range of options and when all efforts to engage with the family have been tried and failed and where it is evident that there are no underlying reasons that are impacting upon attendance at school which could otherwise be addressed through a suitable support plan.

The local authority must have made all reasonable efforts to accommodate and support the family and pupil through engagement with their Education Welfare Officers and via a Family Engagement Officer, to ensure that all other possible measures have been attempted before an FPN is issued as a last resort.

I know that across Wales, leaders, elected members and officers will be striving to find ways to make the best use of their resources. Whilst there is an increased settlement, we

recognise that demand for services, alongside cost pressures mean that local authorities will still need to make difficult decisions on services, efficiencies, and council tax in setting budgets.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lynne Neagle'.

Lynne Neagle AS/MS

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Cabinet Secretary for Education