

Children, Young People and Education Committee

From: Welsh Government

Date: 16th November 2017

Time: 09.15 -10.45

Title: Evidence paper on the Draft Budget 2018-19 - Education Main Expenditure Group (MEG)

Introduction

1. This paper provides information to the Children, Young People and Education Committee on the Education Main Expenditure Group (MEG) proposals outlined in the draft Budget 2018-19¹, which was published as part of the new two stage process. The outline budget (stage 1) was published on 3 October followed by the detailed budget (stage 2) on 24 October. It also provides an update on specific areas of interest to the Committee.

Background

2. The draft Budget 2018-19 provides a two year plan for revenue investment and a three year plan for capital investment in the provision of education in Wales. The tables below provide an overview of the planned Education MEG published in Draft Budget 2018-19.

Education - Summary	2017-18 First Supplementary Budget	2018-19 Draft Budget New Plans	2019-20 Draft Budget New Plans
Resource DEL	1,478,335	1,465,877	1,436,289
Capital DEL	100,813	168,061	176,145
Total DEL	1,579,148	1,633,938	1,612,434
Resource AME	-104,958	-128,382	-138,399
Capital AME	513,397	658,439	816,483
Total AME	408,439	530,057	678,084
Total – Education Budget	1,987,587	2,163,995	2,290,518

RESOURCE and Capital DEL SUMMARY £000s							
	2017-18 First Supplementary Budget	Baseline Adjustments	Revised Resource Baseline / 2018-19 Original Capital Plans	2018-19 Changes	2018-19 Draft Budget New Plans	2019-20 Draft Budget New Plans	2020-21 Draft Budget New Plans
Resource DEL	1,478,335	-40,736	1,437,599	28,278	1,465,877	1,436,289	-

¹ Within this paper, ‘/’ refers to an academic year which spans the period from 1 August to 31 July and ‘-’ refers to a financial year which spans the period from 1 April to 31 March.

Capital DEL	100,813	0	128,061	40,000	168,061	176,145	153,890
Total DEL	1,579,148	-40,736	1,565,660	68,278	1,633,938	1,612,434	153,890

- The First Supplementary Budget figures for 2017-18 have been revised, removing any one off allocations as part of that supplementary budget or previous budgets, and including any permanent MEG to MEG transfers. This is to enable a like for like comparison of the 2017-18 budgets with the 2018-19 draft budget.
- The following table shows the reconciliation from the published First Supplementary Budget 2017-18 to the revised 2018-19 baseline budget for the resource element of the MEG.

Resource DEL	£000
Published First Supplementary Budget 2017-18	1,478,335
Schools Challenge Cymru transition	(1,700)
Teacher training incentives	(1,000)
Removal of one-off allocation for budget agreement- HE Funding/ FE funding and learning pathways	(30,000)
Removal of one-off allocation for budget agreement- Welsh for Adults/ National Language Agency	(5,000)
Removal of MEG to MEG transfer from Health, Well-being and sport MEG to Education MEG -NHS Bursary	(800)
Invest to Save Adjustments	(2,236)
Revised 2018-19 baseline	1,437,599

- Capital budgets were published for four years as part of the 2017-18 draft budget which included increases for future years of £27.2m (2018-19), £34.9m (2019-20) and £43.1m (2020-21). These increases are primarily to enable the provision for investment in infrastructure to support the Childcare Offer which will be delivered in conjunction with the 21st Century Schools and Education Programme from 2018-19. No further adjustments have been made to these baselines as part of the 2018-19 draft budget.
- In terms of resource this represents an overall increase of £28.3m (2018-19) compared to the revised baseline and a decrease of £29.6m (2019-20) compared to the new 2018-19 draft plans. The movements are set out in the detail under the relevant Actions in **Annex A**. In summary the movements for 2018-19 and 2019-20 are:

2018-19	£000
Local Authority hypothecated grants savings	(15,000)
Diamond Support	5,000
Plaid Cymru Budget Deal: HE/FE funding	20,000
Plaid Cymru Budget Deal: Improved provision of bilingual education resources	500
Plaid Cymru Budget Deal: Mudiad Meithrin	1,000
Plaid Cymru Budget Deal: Music Priorities	1,000
Plaid Cymru Budget Deal: Welsh Language Funding	5,000
Transfer from Central Services and Administration MEG - Invest to Save	2,524
Transfer to Communities and Children MEG - Early Years and Childcare Workforce	(30)
Transfer from Communities and Children MEG - Mudiad Meithrin	300
Net increase to the Education MEG - amount transferred from Reserves	7,984
Resource DEL – net increase	28,278

2019-20	£000
Local Authority hypothecated grants savings	(18,920)
School Standards	500
Diamond Support	5,000
Transfer to Central Services and Administration MEG - Invest to Save	(1,044)
Net reduction to the Education MEG - amount transferred back to Reserves	(15,124)
Resource DEL – net decrease	(29,588)

7. As part of the draft budget for 2018-19, further capital allocations have been made and are summarised in the table below:

	2018-19 £000	2019-20 £000	2020-21 £000
Rationalisation of the Higher Education Estate	10,000	10,000	10,000
Backlog maintenance in the Further Education Sector	5,000	5,000	
Industry standard equipment for the Further Education Sector	5,000	5,000	
21 st Century Schools and Education Programme	20,000	20,000	
Invest to Save funding to support the Literacy and Numeracy Programme		400	
Capital DEL – net increase	40,000	40,400	10,000

8. The Annually Managed Expenditure (AME) budget is related to student loans which are demand led and sensitive to interest rate and other macro-economic factors and therefore difficult to forecast. This budget is agreed with the Treasury each year and is fully funded. The budget has increased by £121.6m for 2018-19 and a further £148m in 2019-20.

9. The detailed budget plans for the Education MEG were published on 24 October. To aid transparency a breakdown of changes to the Education MEG by Budget Expenditure Line (BEL) is provided at **Annex B**. The report provides detail on 2017-18 First Supplementary Budget allocations, 2017-18 forecast outturn and 2016-17 final outturn. As requested by the Committee, any BELs which had funding transferred out at the First Supplementary Budget 2017-18, due to the portfolio changes, are highlighted (in green) and outturn figures for 2016-17 amended to enable comparisons with the 2018-19 draft budget.

Budget Context – Education Priorities

10. This budget is committed to the success and well-being of every learner, regardless of background or personal circumstance. To deliver on this, we must combine equity with excellence as we raise standards across the Welsh education system, a commitment that is shared across Government.
11. The building of our new curriculum is well underway and will underpin all of our school reforms, which will be the basis for progressing to post-compulsory education and learning throughout life.
12. New professional standards for teachers, strengthened initial teacher education provision in both languages, formative assessment arrangements, a commitment to identify and support leadership, and reforming our approach to additional learning provision are key priorities.
13. We are aiming to develop children and young people that have the attitudes and learning they need for the rest of their lives, who are able to enter the world of work with confidence or maximise the opportunities that further education and higher education offer. We will introduce a new strategic planning system for post 16 education and deliver a coherent progression through and between post 16 education sectors, so that an individual's learning pathway meets their needs and aspirations, and provide employers with the skilled staff they need to support the Welsh economy and communities.
14. The Education portfolio is responsible for taking forward a number of the priorities set out in Prosperity for All: the national strategy (2017), primarily under the theme of 'Ambitious and Learning'.
15. In September, the new Action Plan for Education in Wales – Our National Mission was published. With implementation of the new curriculum at its heart, the action plan sets out timelines and actions across leadership, professional learning, and excellence and equity within a self-improving system. Fully aligned to support delivery of Ambitious and Learning, all policies seek to raise standards for all, reduce the attainment gap and deliver an education system that is a source of national pride and public confidence.
16. The ten priorities for education in Wales that I agreed with the First Minister, and now feature as key priorities for the portfolio are:
 - Reducing infant class sizes;

- Ensuring every child gets the best start in life through an expanded Pupil Development Grant;
- Prioritising schools access to super-fast broadband within the national programme;
- Incentivising, recognising and promoting teaching excellence so that we raise standards across the board;
- Promoting and enhancing both academic and vocational routes into and through further and higher education, and the national, international and civic roles of our educational institutions. This includes both full and part-time opportunities that will benefit learners of all ages, employers and communities.
- Reviewing the impact of current policy on surplus school places with emphasis on rural schools, to better take account of future growth trends;
- Consulting further on the specific recommendations of the Hazelkorn review;
- Exploring a potential expansion of the remit of the Coleg Cymraeg Cenedlaethol to include further education;
- Prioritising support for enhanced links between education and industry, enabling innovation and entrepreneurship across our public and private sectors in collaboration with our universities and colleges; and
- Considering the recommendations of the Diamond Review with a view to early implementation where appropriate, but with no negative effect on the higher education budget if there are any changes.

Budget monitoring

17. Building on work undertaken for previous budgets, we have undertaken a continual line by line review of budgets to establish how further reductions can be managed whilst continuing to reflect our priorities. Whilst difficult decisions have had to be made, our priorities for education in Wales remain unchanged and our published spending plans for 2018-19 and 2019-20 reflect this.
18. All budgets have been and continue to be monitored and challenged on a monthly basis during 2017-18, to consider the latest forecasts and budget movements as necessary. I receive regular financial updates on the forecasts for the Education MEG to ensure that budgets remain on track to deliver the priorities for Wales.

Preventative Spending

19. Building on previous budgets, within the Education portfolio we continue to invest significant resources into areas of prevention spend to support our school practitioners' professional learning and resilience, deliver the Foundation Phase curriculum effectively, raise standards of literacy and numeracy and reduce the impact of deprivation on attainment. These programmes and actions will impact a child throughout their learning, but also provide key early interventions in their learning and give them solid foundations for their ongoing education which in turn will increase their chances in the labour market.
20. The main Welsh Government funding for schools is in the Revenue Support Grant. Within the Education MEG, the majority of funding to schools is

preventative, aimed at improvement, raising standards and early years delivery. This includes more than £200m through the Education Improvement Grant and Pupil Development Grant; £168m through 21st Century Schools and Education Programme; £7.5m for Literacy and Numeracy; and also £10m to support Curriculum Reform.

21. Further education is important in the drive to reduce the number of young people not in employment, education or training (NEET) and increasing the skills levels of young people before they enter the world of work.
22. Higher education institutions train the healthcare and education professionals of the future and produce world-leading research all of which helps to safeguard the health, social and economic wellbeing of future generations.
23. Universities contribute £1.3billion a year to the Welsh economy and provide over 16,000 jobs in Wales, while generating over £400m per annum in export investments.

Impact of Brexit

24. The Welsh Government established a specific team to co-ordinate European Transition issues, which is working closely with the existing team in Brussels and policy departments.
25. Our universities work with partners throughout Europe and beyond. We want Welsh students to continue to have the opportunity to experience education in Europe (through continued participation in the ERASMUS+ scheme for example), and we want Welsh researchers to continue to collaborate in European research and innovation networks (for example, by maintaining engagement in Horizon 2020).

Movement of students/researchers

26. In September last year I established a HE Brexit Working Group as a forum for Welsh Government engagement with HE sector stakeholders. The Group meets six times a year and provides advice on the impact of Brexit on the HE sector in Wales.
27. The Welsh Government policy document “Fair Movement of People” published on 7 September includes discussion of the implications of Brexit and the UK Government’s migration policy for international students in Wales and highlights the Welsh Government’s concerns about the approach to future migration for Wales.
28. Furthermore stakeholders in the HE sector in Wales have raised with us their concerns about the detrimental impact that the narrative around the UK Government’s views on migration and attitudes to overseas students could have on their perception on the UK and Wales as a potential study destination.

29. The Welsh Government believes that continued free mobility across Europe for students and researchers is in the best interests of Wales and the UK as a whole, and has made clear its view that students should not be counted in net migration targets.
30. “Fair Movement of People” also makes it clear that it is vital that UK Government policy and the messages that it sends out do not significantly undermine the ability of universities to attract international students, and that there is a level playing field across the UK.

Research

31. Facing Brexit, we are threatened with losing access to funding that supports our collaborative research programmes. It is critical that we start to explore our future needs, and future mechanisms to support collaborative research. This is particularly important for Wales where so much of our excellent research is collaborative in nature.
32. This research is of considerable economic importance to Wales. We shouldn't underestimate its future potential value or the leverage from research that can lead to longer-term investment, by research charities, businesses, Welsh and UK governments and international agencies.
33. Considering next steps will involve talking to the new pan-UK bodies like UKRI (UK Research and Innovation). We also need to understand the level of resource and investment needed to allow Wales to make best use of our expertise and potential access to collaborative funding opportunities.
34. Here in Wales, Professor Reid is collecting evidence for his review of Government-funded research and innovation. This has been commissioned by Welsh Government. I look forward to receiving his recommendations next year. Against the backdrop of Brexit, the Wellbeing of Future Generations, and Science for Wales, the review is set to help us consider how we can improve the performance of research going forward.

Costs of Legislation

35. The budget continues to take account of our current legislative programme.

Additional Learning Needs and Education Tribunal (Wales) Bill

36. The costs associated with the Additional Learning Needs and Education Tribunal (Wales) Bill are set out in the Bill's Regulatory Impact Assessment (RIA). A revised RIA was made available on 8 September. This reflects changes made in response to evidence received during Stage 1 scrutiny of the Bill.
37. Despite these changes, the RIA still projects an ongoing saving to the public sector once the Bill is implemented. The new additional learning needs system is expected to cost less to run than the current special educational needs

system. The opportunities for local authorities to make efficiency savings are being realised in areas already operating aspects of the new system. These authorities are spending less and redirecting resource towards supporting children and young people.

38. There will be upfront costs for implementation of the Bill. We have been clear all along that an investment in transition from the current to the new system will be necessary. The £20m funding for the ALN Transformation Programme, which we have already announced, will cover the cost of implementation in its entirety. We will not be asking delivery partners to fund implementation – the Government will cover it.
39. The £20m funding package deliberately goes beyond moving from one statutory system to another. It will invest in cultural and practice changes and in up-skilling the workforce. This work is already underway.

Information on the impact of any relevant UK Parliament legislation

40. There is currently no UK Parliament legislation that impacts education in Wales.

Financial Implications arising from any subordinate legislation in 2018-19

41. There are no financial implications arising from any subordinate legislation in 2018-19. However, if the ALNET Bill is passed by the Assembly, there will be implications for this period as outlined above and in the RIA.

Children's rights and other cross-cutting considerations

42. Under the Rights of Children and Young Persons (Wales) Measure 2011, we have given balanced consideration to the rights set out in the UNCRC. A separate Children's Rights Impact Assessment for the outline draft Budget 2018-19 and for Education MEG has not been published separately, but forms part of the Strategic Integrated Impact Assessment. This has again enabled us to give full consideration to socio-economic disadvantage, children's rights, Welsh language and sustainable development, in addition to the focus on equality and tackling poverty.
43. A Strategic Integrated Impact Assessment was published alongside the outline draft Budget 2018-19 (Annex E). This provides an assessment of the impact of the budget on schools, Post-16 Education and Higher education under the area of ambitious and learning as published in *Taking Wales Forward 2016-2021*.
44. A key priority of the draft Budget is our focus on local services, recognising that how we deliver for Wales is as important as what we deliver for Wales. The Welsh Government's high-level plans published in the outline draft Budget continue to reflect our emphasis on children's rights, the Welsh language and tackling disadvantage. These are key areas within Education in Wales – Our National Mission which outlines our plan of action for Wales up to 2021.

45. We are committed to using the Well-being of Future Generations (Wales) Act 2015 to improve how we make decisions about the social, economic, environmental and cultural wellbeing of Wales. Our budget proposals have continued to look at how we embed the five ways of working to help maximise our impact, and take an integrated approach to considering impacts on protected groups and support a focus on our shared national goals. The four purposes of the curriculum, as set out in Successful Futures, which describe the planned outcomes for all learners in Wales, support the shared purpose and future of the Act for the long term economic, environmental and social wellbeing of Wales. We have ensured that other policies and programmes reflect our commitment to sustainability, by considering investment that we can make now to prevent more expensive action in the future.
46. I am removing £22.2m from the Education Improvement Grant over the next two years as part of a Welsh Government approach to provide Local Government with unhypothecated funding to support priorities for schools and social services through the revenue Support Grant. This will include the current support for Local Authority minority ethnic achievement and Gypsy, Roma and Traveller learner support services. I have taken this decision in part to address concerns raised by the sector through the CYPE Committee's valuable inquiry into the EIG, to ensure Local Government has the direct and flexible needs to deliver the appropriate support for schools. Through the grant funding over many years we have tested the principles and approach. As we launch Education in Wales – Our National Mission, I believe it is now time for Local Authorities working with their schools, regional school improvement services, and minority ethnic and Gypsy, Roma Traveller support services to take a core approach to supporting these and all learners.

Specific areas

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

Funding for school improvement

Details of how the £100 million additional investment in schools standards which the First Minister has pledged over the lifetime of this Assembly is to be allocated and used in 2018-19.

48. I have aligned the £100m raising standards BEL to our new plan of action, Education in Wales – Our National Mission and our strategic priorities set out in Ambitious and Learning in the national strategy, Prosperity for All. In 2018-19, I am allocating £25m to raise standards and more than half of this will be invested in improving teaching and learning, including to support Welsh professional development, professional teaching standards, initial teacher education and training, and a professional learning offer in respect of digital competence.
49. I am investing over £3m in improving education leadership, supporting the development of a pool of Welsh leaders in Wales and the National Academy for Educational Leadership, and over £4m to support a self improving system, of which £2.5m will build on action this year to support small and rural schools and

the particular challenges they face. Within this fund is more than £1m to extend the impact and depth of collaborative working and increase the number of school federations.

How expenditure of the £100 million is being profiled throughout this Assembly.

50. By the end of 2019-20 I will have invested £75m into Raising School Standards with £50.5m of this being allocated between 2018-19 and 2019-20.
51. Over the full term of the commitment, and centred around evidence based research, I expect to invest around £55m in improving teaching and learning; £20m to support the self-improving system; more than £13m in building leadership capacity in education; more than £5m in supporting the curriculum and assessment arrangements including coding and digital skills and developing school-employer engagement.

Education Improvement Plan

An update on the expected new education improvement plan to succeed Qualified for Life and how budget provision to support its delivery is reflected in the Education MEG.

52. In September I launched Education in Wales – Our National Mission, our new action plan for 2017-21. Building on Qualified for Life, this plan of action is aligned to supporting delivery of Ambitious and Learning, from Prosperity for All: the national strategy (2017). Education in Wales – Our National Mission sets out how the school system will move forward, through the development and implementation of the new curriculum and with a key focus on the enabling objectives which are interdependent to its delivery: developing a high quality education profession; inspirational leaders working collaboratively to raise standards; strong and inclusive schools committed to excellence, equity and wellbeing; and robust assessment, evaluation and accountability arrangements supporting a self-improving system.
53. Simply, this plan focuses on raising standards for all, reducing the attainment gap and delivering an education system that is a source of national pride and public confidence. The draft Budget supports delivery of our priorities for education and we have aligned the Education MEG to support delivery of Education in Wales – Our National Mission.

Reducing the impact of deprivation and poverty

How the Education MEG reflects the Welsh Government's long-term commitment to tackle the impact of deprivation and poverty and its influence on educational achievement.

54. We will ensure that our young people have an equal opportunity to reach the highest standards; this is clearly set out in Education in Wales – Our National

Mission. That is why I am continuing to prioritise our investment through the Pupil Development Grant in 2018-19 and 2019-20.

55. We must work together to get the basics right, raising our standards and ambitions for excellence for all pupils, students and teachers. Underpinning all of this work is a belief that someone's ability to benefit from education should not be determined by their personal circumstances and a drive to reduce inequalities and remove barriers to education.
56. The Welsh Government continues to provide the Educational Maintenance Allowance which enables students from the lowest income households to continue their studies into further education. From 2018/19 students in higher education will have the most equitable living cost package in the UK. It guarantees students support equivalent to the national living wage whilst they study and provides means non repayable support to those students most at need. This will open up higher education to people who would not have been able to consider going to university in the past.

How the evaluation of the Pupil Development Grant (PDG) (expected summer 2017) has influenced decisions about budget provision for the PDG.

57. Evidence from Ipsos MORI/WISERD, Estyn and the Welsh Government's Raising Attainment advocate (Sir Alasdair Macdonald) supports the view that the majority of schools are making well thought out and appropriate decisions on how to spend PDG. The way schools spend PDG is evolving. Schools that initially invested money in data monitoring systems are now concentrating on the delivery of interventions and on training and employing staff skilled in these interventions.

What assessment has the Welsh Government made of the affordability, value for money and impact of the PDG?

58. The Welsh Government commissioned an independent evaluation of the PDG by the Ipsos MORI/WISERD. The third report is due shortly. The evaluations investigated issues around implementing the grant as well as the grant's impact and assessing value for money.
59. Evidence from the evaluations highlighted the way the PDG is spent by schools appears to have evolved over the grant's lifetime. Schools initially invested in resources and establishing data monitoring systems to track pupils' progress. This approach has enabled schools to promote progress and remove barriers to learning by identifying learners' needs, targeting interventions and monitoring impact. Funds are now concentrated on the delivery of interventions.
60. The evaluation provided examples of schools making spending decisions, and changing the way in which interventions operate on the basis of the data they have collected to improve effectiveness. Teachers report significant improvements for their eFSM learners, not just in literacy and numeracy, but

also in behaviour, confidence and self esteem which has a direct impact on school attendance and outcomes.

Details of how the Welsh Government monitors use of the PDG to ensure it is used for its intended purposes.

61. Monitoring always needs to be proportionate and add value. Schools are expected to set out in School Development Plans, their planned PDG expenditure and regional consortia ensure schools monitor these plans. Regional consortia build the key priorities into their business plans, which are scrutinised through their joint committees. Regional consortia are also audited.
62. Officials hold PDG monitoring meetings with regional consortia on a quarterly basis which is accompanied by an updated support plan. In addition both Estyn & WAO consider PDG as part of their normal inspection cycles.

Information on any plans the Welsh Government has to update its Rewriting the Future strategy and the budget provision to support that.

63. As I revised the funding arrangements for the grant in March this year, I want to take stock of all guidance currently available for the PDG, including Rewriting the Future strategy, before publishing any further guidance.

Schools Challenge Cymru

Information on how the £1.5 million allocated in the First Supplementary Budget 2017-18 is being spent.

64. The £1.5m was identified to support additional targeted work to accelerate improvement in schools. Regional consortia were asked to develop action plans, focusing on poor performing, or challenged schools, with secondary schools being the main focus.
65. In doing so, they were asked to commit to a set of guiding principles, to be embedded alongside each of their existing models for providing challenge and support. These principles are based on the learning from School Challenge Cymru and include:
 - a focus on sustainable approaches towards improving leadership, teaching and learning;
 - establishing where necessary, an effective Accelerated Improvement Board (or equivalent);
 - a need to review each school's approach to the use of data and self-evaluation for improvement purposes; and
 - the provision of effective support and challenge from a suitably qualified Challenge Adviser with a proven track record.
66. As part of a self-improving system, I expect school-to-school working to feature as part of each school's improvement plans.

67. Regional Consortia were asked to embed the learning from the final Schools Challenge Cymru evaluation report in their approaches going forward. Each set of proposals focuses on local needs and aligns with local models for support.

An update on whether the programme has fully ceased and if there is any further budget provision in 2018-19.

68. The Schools Challenge Cymru programme has fully ceased and there will be no more direct funding for the programme in 2018-19. Our focus now is on sustaining and accelerating improvements made under the programme and embedding the learning for the benefit of all schools in Wales.

How has the evaluation of Schools Challenge Cymru (expected Summer 2017) and lessons learned from the programme influenced budget allocations in the Education MEG?

69. Learning from the evaluation has been an ongoing process and has included informal learning generated in discussion with the Schools Challenge Cymru Advisers and Champions Groups, Pathways to Success schools, and regional consortia. This valuable insight has been used to inform our approaches towards policy and budget allocations where appropriate, and with the publication of the final evaluation report this summer we will continue to consider and embed the learning for the benefit of all schools in Wales.
70. In some ways the Challenge confirmed what we already knew, that leadership, teaching and learning, and effective challenge and support are all vital to support improvement in our schools. Also that our efforts should for the large part be based on sustainable approaches, grounded in a thorough understanding of need as well as what works.
71. These elements are central to Education in Wales – Our National Mission with leadership and professional learning as key enabling objectives, and effective challenge and support as part of our school improvement model.

Education workforce

Details of budget allocations to finance the Welsh Government's reforms of Initial Teacher Education and Training (ITET), professional learning for the education workforce, and the new professional standards for teachers.

72. £160k has been made available in the ITE Policy budget line for 17-18, 18-19 and 19-20 to finance the Welsh Governments reforms of Initial Teacher and Education Training (ITET).
73. The Accreditation of Initial Teacher Training Committee requires initial start up costs of £260k and is paid over two financial years £30k in 2016-17 and £230k in 2017-18. The ongoing costs for the accreditation process following the first round of applications will be met through the charging of fees payable by the partnerships participating in the accreditation process. The fee level will be

subject to a separate consultation undertaken by the Education Workforce Council, with a system of charging in place by 31 August 2018.

74. During 2017-18, the £5.8m Professional Learning funding allocation includes programme management costs, funding to support professional learning pioneer schools from 2017-18 and grant funding awarded to regional consortia to support the design and development of a National Approach for Professional Learning. We have set budgets which enable us to maintain our investment through pioneer schools and for the core development and delivery of the curriculum working with our partners.
75. There are also allocations totalling £4.9m to fund Professional learning including Early Professional Development, Induction and the Masters in Education Programme. This funding has reduced in this draft Budget for the Masters in Education Programme following the natural end to the contract. An allocation in excess of £600k supports the roll-out of the professional standards.

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

76. The Education Workforce Council (EWC) administers a number of activities on the Welsh Government's behalf where funding is provided via an annual grant to support these activities. The grant currently in place for 2017-18 provides up to £6.4m of funding from the Teacher Development and Support BEL (4880). Funding will continue at this level in 2018-19 and 2019-20. This funding supports activities such as:
- The administration and notification of Qualified Teacher Status;
 - The administration of the Induction, Early Professional Development and Masters in Educational Practice Programmes;
 - The administration, maintenance and development of the Professional Learning Passport; and
 - The administration and notification of Initial Teacher Education (ITE) Accreditation.
77. The Welsh Government does not provide funding to the EWC to support its core function (i.e. Registration and Regulation).

Budget provision for the National Academy for Educational Leadership.

78. Funding for the Academy is from the Raising School Standards BEL(5511). Provisionally, £1m budget has been set aside in each financial year of this budget for the core funding for the Academy's costs with any surplus to support provision.

Curriculum for Wales

An update on funding to support the development and design of the new curriculum and its introduction in September 2018.

79. I recently announced a change to the timetable for the implementation of the new curriculum. The curriculum will now be available by April 2019 for feedback and a final version will be available in January 2020, and will be used throughout Wales by 2022.
80. In order to support the development and rollout of the new curriculum and its introduction in 2022, funding is required until 2019-20. We have allocated funding in this budget to support the new curriculum with a total envelope of £10m in 2018-19 and 2019-20. The main purpose is to fund the design and development of new Curriculum and Assessment arrangements for Wales as recommended in Successful Futures and set out in A Curriculum for Wales – a curriculum for life. Funding includes support for the Pioneer Schools and national and international expertise.

Planned future funding for the new curriculum, given it is a long-term programme of policy implementation.

81. I have aligned this budget to Education in Wales – Our National Mission and made provision for the curriculum reform programme and I am also establishing a strong national Pioneer Network within this draft budget with a funding allocation of £10m from the Curriculum Review BEL (5167) and the Teacher Development and Support BEL (4880).

Infant class sizes

An update on the budget provision for reducing infant class sizes, including how many classes/schools will benefit in 2017-18 and 2018-19.

82. Funding totalling £36m is being made available to local authorities over the lifetime of this Assembly. This is made up of £16m revenue and £20m capital. A total of £7m will be made available for 2017-18 (£2m revenue and £5m capital and £8m in 2018-19 (£3m revenue and £5m capital). The revenue element comprises £1m from the Raising School Standards BEL (5511) and £1m from the School Improvement Grant BEL (5126). The increased revenue funding in 2018-19 will be met from the School Improvement Grant BEL (5126). The capital funding will be met from the Strategic Investment BEL (4765).
83. The funding is made available to local authorities who are required to submit a business case for the revenue element of the funding and bids setting out proposals for any capital element of the grant evidencing how the funding will meet the criteria and outcomes expected. Once the assessment is undertaken we will know how many classes/schools will benefit from the funding.

The process for selecting schools to benefit from the grant funding, based on the criteria the Cabinet Secretary has outlined.

84. Grant funding will be considered for classes of 29 or over in schools, where the schools demonstrate at least one, or a combination, of the following:
- Significant levels of free school meals;

- Below average outcomes and where a school is judged to be red or amber;
 - Significant levels of special educational/additional learning needs; and
 - Significant levels of where welsh/english is not the first language.
85. Local authority business case must include details of existing support for the schools in question and the current focus of the Pupil Development Grant and Education Improvement Grant. It must include anticipated outcomes in relation to improvements in class sizes, numbers of pupils in classes of 29 and over, including pupils with Free School Meals (FSM), additional needs, teacher/pupil ratios, performance, attendance and plans to ensure sustainability.
86. Business cases must take into account a wide range of data, including school capacity, teacher to pupil ratios, attendance, performance including the performance of FSM pupils, National School Categorisation System ratings, and the number of pupils with additional learning needs or a statement of special educational needs (SEN).
87. Business cases will be assessed by key policy leads and a Panel, which includes representation from the existing 21st Century Schools and Education Programme Capital Panel and will be subject to my final approval.

What are the Welsh Government's expectations for the impact on schools receiving the grant funding? Have any targets been set? How will the Welsh Government measure value for money?

88. Targets and outcomes must be clearly identified to meet the purposes of the grant. These will be assessed by the Panel and targets and outcomes challenged to ensure they are sufficiently robust. These will then be used to monitor progress over the grant period.
89. The Welsh Government expects there to be a reduction in the number of classes of 29 and over in the schools targeted. In addition the expectation is that the funding would impact positively on outcomes for pupils in receipt of FSM, those with additional needs or for whom welsh or english is not their first language in the classes targeted.

Surplus places and small/rural schools

Arrangements for the small and rural schools grant and from which BEL it is funded.

90. The grant is being administered by local authorities on the Welsh Government's behalf. Local authorities are required to submit their plans for expenditure in line with the key purposes of the grant which are:
- to encourage innovation e.g. use of new digital technologies to combat the issue of professional isolation by harnessing the power of IT;
 - to support greater school to school working including informal association, formal collaboration or federation to raise standards;

- to provide additional administrative support where the head teacher has a significant timetabled teaching commitment; and
- to increase the community use of school buildings.

91. Plans will be analysed by relevant policy officials prior to my approval. A total of £2.5m is made available for 2017-18 and 2018-19 and is funded from the Raising School Standards BEL(5511).

How the grant is being allocated and evaluated for value for money.

92. The grant has been allocated on a formula basis which weights 70% to sparsity and 30% to the number of small schools in the local authority area.
93. Allocation of grant is subject to receipt and agreement of local authority plans identifying proposals for schools that fit with the key purposes of the grant and anticipated outcomes.
94. Progress will be monitored by way of progress reports which will be analysed by officials to ensure funds are being spent appropriately and in accordance with the key purposes of the grant.
95. Final annual grant reports will be analysed to ensure that proposals have been delivered i.e. informal school to school working operating, number of collaborations, federations established, business managers in place, school buildings being used for community purposes etc.

Information on any budget provision associated with the review of the School Organisation Code and any policy changes following this summer's consultation.

96. There is no budget provision associated with the review of the School Organisation Code. It is too early to say what policy changes may result following the consultation which ended on 30 September 2017. An analysis of the consultation responses is currently being undertaken and a summary report prepared. The draft Code will be updated as necessary to reflect the consultation responses.

Education Improvement Grant (EIG)

Information on budget provision in 2018-19 and comparison with previous years.

97. The Education Improvement Grant for Schools is within the School Improvement Grant BEL and is planned to reduce by £2m in 2018-19 and a further £2m in 2019-20.
98. A further £22.2m is proposed to be removed from the grant over two years and made available to Local Authorities as unencumbered funding through the Local Government Settlement Revenue Support Grant to support our priorities for schools.

99. Despite the £4m reduction and the reprioritisation of funding to the Revenue Support Grant for our priorities for schools, the EIG continues to provide significant investment of more than £118m in 2018-19 to support our schools, regional school improvement services and Local Authorities to improve educational outcomes for all learners in Wales.

How the Welsh Government has strengthened the arrangements for monitoring the impact of the EIG in 2017-18 and what the arrangements are for 2018-19.

100. Following the CYPE Committee's inquiry into the EIG for Schools and in response to our audit of the grant arrangements, officials reviewed the existing Education Performance Framework and put in place a strengthened outcomes framework. The outcomes framework in place for 2017-18 is aligned to Qualified for Life and arrangements are being made to reflect our plan of action for education, Education in Wales – Our National Mission for 2018-19. The EIG is provided to regional consortia and subject to the governance arrangements agreed and outlined in the National Model for Regional Working.
101. Regional consortia publish their high level business plans which cover their full school improvement remit on their websites.

Planned allocations to each regional consortia and an update on the outcomes framework the Welsh Government has committed to putting in place.

102. The grant allocations will be determined in due course and I expect indicative allocations to be shared with regional consortia in November for planning purposes. Allocations will be finalised following Final Budget.
103. For 2018-19 I am considering how we can take a more cohesive 'system approach' to monitoring the delivery of Education in Wales – Our National Mission in line with the principles we have adopted through the Wellbeing of Future Generations.

Details of the use of the EIG to support Community Focused Schools initiatives and any other Welsh Government budget provision on Community Focused Schools.

104. At school level the EIG can support action around community engagement and schools working in partnership with their communities, for example family learning projects or activity which supports improved educational outcomes for learners.
105. Whilst expenditure relating to community focused and school projects remains eligible under the grant where it supports improved outcomes for learners, the grant does not continue the specific and strategic focus of the earlier Community Focused Schools Grant.

Information on the guidance the Welsh Government is issuing to consortia and local authorities on use of the EIG, including in relation to Minority Ethnic and Gypsy, Roma and Traveller learners.

106. Education in Wales – Our National Mission sets out how the school system will move forward over the period, securing implementation of the new curriculum with a focus on leadership, professional learning, and excellence and equity within a self-improving system. The action plan builds on the 2014 Qualified for Life plan and the 2015 Review of the Curriculum.
107. In delivering Education in Wales – Our National Mission, the Welsh Government will continue to support and challenge local authorities and regional consortia on action they are taking directly and through support to schools, to improve educational outcomes for all learners. We will continue to engage with the Association of Directors of Education in Wales and regional consortia to ensure good practice is shared and support is embedded, not additional.
108. The decision to include the current support for local authority services to support minority ethnic, Gypsy, Roma and Traveller learners in the prioritisation of funding to Local Government reflects my firm intentions that these learners should be supported through a core approach. After a decade of targeted funding to test principles and delivery and with the increased focus on equity and wellbeing within Education in Wales – Our National Mission, this change reflects the opportunity for a sustainable approach to supporting these learners.

Regional consortia

Details of how much Welsh Government funding is channelled via the regional consortia, including a breakdown (where possible) of the different funding streams.

109. In 2017-18 we have committed up to £250 million to be delivered through regional consortia with the vast majority intended for schools. This includes more than £91 million through the Pupil Development Grant, £133 million through the Education Improvement Grant, more than 7 million in support of professional learning and the curriculum, and £10 million through the Raising School Standards Grant.
110. In aligning the budget to Education in Wales – Our National Mission, funding provided to regional consortia in 2018-19 and beyond will be aligned to the enabling objectives within our action plan through the grant terms and conditions.

Information on how much of the funding received by consortia is retained centrally by the consortia and how much is passed on to local authorities and schools.

111. In line with the National Model, local authorities each contribute to the regional school improvement arrangements. The vast majority of the Welsh Government

grant funding to regional consortia is passported to schools, including a minimum of 80% of the Education Improvement Grant for schools, the entire Pupil Development Grant apart from the Looked After Children element and the majority of the funding which supports development of the curriculum and professional learning through our pioneer schools.

Any assessments that have been made of the consortia impact and value for money.

112. Our regional working arrangements as outlined in the National Model for Regional Working represent 22 Local Education Authorities working in collaboration with Welsh Government and key partners to deliver our school improvement support on a regional basis, and work towards improved sharing of best practice, collaborative working, joint planning, improved performance and a more consistent offer.
113. In accordance with the governance arrangements agreed in the National Model for Regional Working, each region has a Joint Committee or Company Board, is subject to local and regional scrutiny, audit and review through the Estyn remit. There remains more to be done as is appropriate and Estyn and the WAO continue to provide us with their expert views on the arrangements to inform future improvements, including around value for money.

Estyn

Budget provision for Estyn and explanation of where in the Welsh Government's budget this is funded.

114. The total allocation for Estyn in 2018-19 is £11.334m consisting of £11.053m revenue and £0.281m capital. In 2019-20 the total allocation is £10.737m consisting of £10.456m revenue and £0.281m capital. This budget is held within the Local Government MEG.

Financial implications of the costs of Professor Donaldson's review of the impact of the Welsh Government's education reforms on Estyn and where these will be met.

115. Welsh Government will be contributing to the cost of the independent review of Estyn. It is anticipated that the total cost of the review will not exceed £100k and the Welsh Government's contribution will be met from the Curriculum Review BEL(5167).

School budgets and reserves

Information on any assessment the Welsh Government has made of the sufficiency of school budgets.

116. The Welsh Government has not undertaken a formal assessment of school budgets. School funding is a responsibility for Local Authorities in Wales, as set out in law. According to the statistics released in July this year on Local

Authority Budgeted Expenditure on Schools for 2017-18, gross schools expenditure increased by 1%; the funding delegated to schools increased to £2.142bn and the level of delegation as a percentage of the total gross budgeted expenditure decreased slightly by 0.1 of a percentage point to 84.2% overall.

An update on the level of school reserves, including the number of schools exceeding the monetary thresholds set out in the School Funding (Wales) Regulations 2010, over which local authorities may direct schools to spend or recover surplus funds (including a breakdown by local authority).

117. Updated information was published on 19 October for the position at 31 March 2017 and my officials are working through the data. The headline position shows the overall level of reserves held by schools in Wales to have decreased to £46m, equivalent to £102 per pupil. As with the previous year, reserves in primary schools accounted for the majority of the total. The level of reserves as a percentage of delegated schools expenditure decreased from 3.0% to 2.1%. Of 1,588 schools in Wales, 284 had negative reserves totalling £21m. The remaining 1,304 schools had positive reserves, 152 of which had reserves in excess of 10% of their total delegated expenditure.
118. Welsh Government officials are looking to revise the School Funding (Wales) Regulations 2010 in order to strengthen existing powers available to local authorities by enabling schools to be challenged on surplus budgets at a percentage and monetary threshold.

Capital funding for school and college infrastructure

Information on budget provision for 21st Century Schools and progress of the programme to date, including expenditure and numbers of projects completed/approved to date.

119. Our overall target for the Band A Programme (2014-2019) is for 150 schools and colleges to be refurbished or rebuilt. To date, approval has been given to 151 Business Justification Cases / Full Business Cases, which represents 101% of the overall Programme target. 83 21st Century School and Further Education Schemes have been completed to date, which is 55% of the Programme target. At present, construction is also underway on 45 projects, representing 30% of the Programme target.
120. Up to 2016-17, the Welsh Government provided funding of £451.6m. Band A of the 21st Century Schools and Education Programme runs over the five year period from 2014-2019. Band B is planned to begin in 2019. Development of the Band B programme is underway, with the receipt of the Strategic Outline Programmes (SOP) from local authorities and further education institutions.
121. There is an allocation of £100.8m in 2017-18, £168.1m in 2018-19, £176.1m in 2019-20 and £153.9m in 2020-21.

Clarification of the timescales for Band A and Band B of the 21st Century Schools programme and transitional arrangements between the two stages.

122. It is anticipated that there will be a transitional period as Band A Projects end and Band B projects begin. It is planned that we will begin development work on some Band B projects before 2019, to ensure that budgets are used in full at the start and end of the successive bands of investment.

Childcare offer

An updated assessment of the implications for the Education MEG of the Welsh Government's childcare offer.

123. Within the Strategic Investment BEL(4765), there is £60m capital funding allocated to the childcare offer, over a three year period from 2018-19. I am working with the Cabinet Secretary for Communities and Children as he develops the childcare proposals and have asked that local authorities and others identify any opportunities for joined up working in their Band B SOP submissions.

Qualifications

Allocations to Qualifications Wales and an update on the work of the sponsorship branch within the Welsh Government, including budget provision.

124. The indicative annual allocation for Qualification Wales is £8m in 2018-19 and 2019-20. Annual grant allocations to Qualifications Wales are in line with those set out in the Explanatory Memorandum accompanying the Qualifications Wales Act. The Sponsorship Branch is the main point of contact within the Welsh Government for Qualifications Wales and ensures that the organisation is up to date with all relevant Welsh Government policy. The branch is the main source of advice to the Welsh Ministers on the discharge of their duties in respect of Qualifications Wales. The Sponsorship Branch liaises regularly with Qualifications Wales to review the organisation's financial performance against budget. The Branch monitors the propriety of Qualifications Wales' activities by observing both Board and Audit and Risk Committee meetings.

What assessment has been made of the impact of the 4% reduction in Qualifications Wales' budget in 2017-18 and how this has influenced allocations in 2018-19.

125. Qualifications Wales whilst wholly funded by Welsh Government took a 4% budget reduction in 2017-18. To accommodate this, Qualifications Wales worked with the Sponsorship Branch to investigate various ways to reduce expenditure whilst protecting its core capability and the majority of the grant support provided for Welsh medium assessment. Qualifications Wales made savings in a number of areas including reducing its research budget by one

third and reducing IT costs. Indicative allocations for 2018-19 and 2019-20 are in line with the allocation provided in 2017-18.

Welsh-medium education

Budget provision to support the Welsh Government's Welsh-medium education strategy and local authorities' Welsh in Education Strategic Plans (WESPs).

126. The Welsh in Education Strategic Plans provide a basis for the planning of Welsh-medium education across Wales. Critically this also includes bilingual and Welsh language education. There is no specific budget within the Welsh in Education BEL to support their development as it is a statutory requirement for the local authorities.
127. Local authorities use funding from a number of sources to implement their Welsh in Education Strategic Plans (WESPs) including activities supported and delivered through the 21st Century Schools Capital programme, the Education Improvement Grant (EIG) and the Curriculum Reform programme. In the delivery of their EIG, the regional consortia are asked to ensure that the programme of activities funded reflect the priorities set out in the local authorities' WESPs. The Curriculum Reform programme crucially supports the development of the new curriculum, which will include one continuum of learning Welsh, which is a key commitment in the Welsh language strategy.
128. The Welsh in Education BEL also supports the WESPs through programmes to support the informal use of the language, the development of the language skills of practitioners through the Sabbatical Scheme, and the commissioning of teaching and learning resources.

Implications for the Education MEG from, and budget provision to support, the Welsh Government's new Welsh Language Strategy and its target of one million Welsh speakers by 2050.

129. The Welsh Government's strategy 'Cymraeg 2050: A million Welsh speakers' was published in July 2017 and includes a cross-government commitment to reaching a million Welsh speakers by 2050.
130. The education system has a key role to play in achieving the aim, and there are a number of transformational changes that will be required in order to meet the targets.
131. The Education Directorate, in partnerships with the Welsh Language Division leads on the implementation of activities and actions in response to the educational priorities identified within the strategy. The Education MEG will continue to support Welsh-medium and Welsh language education and will be supplemented by the Welsh in Education BEL, which funds specific interventions which are not part of mainstream Education MEG activities.

From which BEL(s) is the £4.2 million announced by the Cabinet Secretary in July 2017 to increase the Welsh-medium capacity of the teaching workforce funded.

132. The additional funding for professional learning and research activity to support the teaching and learning of Welsh and subjects through the medium of Welsh comes from the Raising School Standards BEL (5511).

Additional Learning Needs

The financial implications of the Additional Learning Needs and Education Tribunal (Wales) Bill.

133. A revised Regulatory Impact Assessment for the Bill was provided on 8 September. The revision reflects changes made in response to evidence received during Stage 1 scrutiny of the Bill.

Budget provision to support the ALN Transformation Programme.

134. In line with the Finance Committee's second recommendation in its stage 1 report on the Bill, the Minister for Lifelong Learning and Welsh Language will be writing to the Finance Committee in the autumn to provide further information about the £20m ALN Transformation Programme. The letter will be copied to the Children, Young People and Education Committee.

An update on timescales for transition to the new system and how this is reflected in budget provision.

135. The Minister for Lifelong Learning and Welsh Language will make a statement shortly on the proposed approach and timing of the transition period. The statement will coincide with the publication of the summary of the responses to the consultation on how the Bill should be implemented if it received Royal Assent which closed on 9th June.

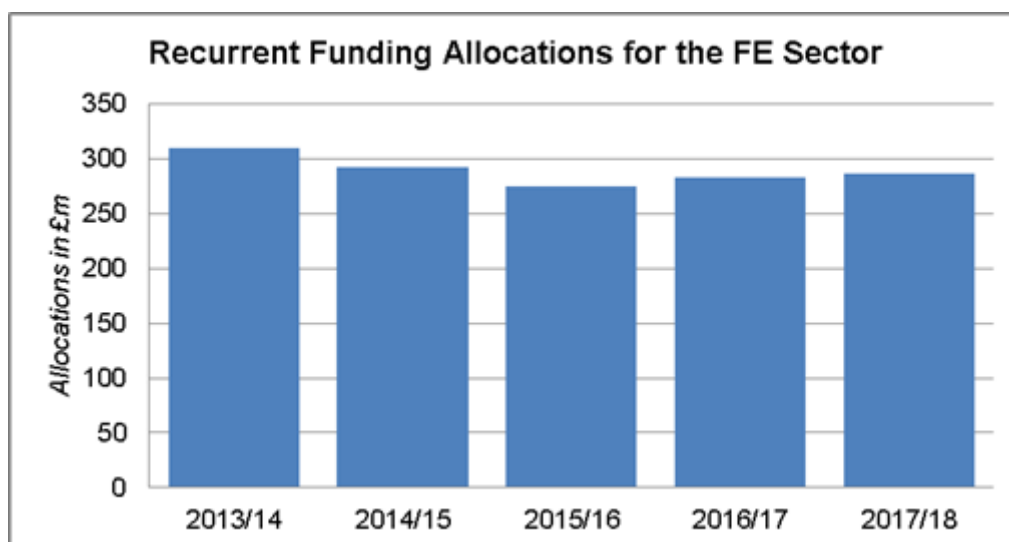
An update on the arrangements for funding the training of educational psychologists in Wales and on work to identify a sustainable model in the long-term.

136. Cardiff University is grant funded to train 10 Educational Psychologists per year and the 2017/18 cohort commenced in September. Information from the recently conducted WLGA and Welsh Government data collection exercise will be used to inform future planning.

Further education

Details of 2018-19 allocations to further education institutions (FEIs) and a breakdown of budget provision over the past five years.

137. Work does not commence on the allocation to FEIs until after the 2018-19 budget has been finalised, as those institutions are funded on an academic year basis.
138. As a result of ongoing austerity from the UK Government, Welsh Government recurrent funding for the sector decreased by £23.665 million between 2013/14 and 2017/18, a reduction of 7.63 per cent in cash terms over this period.
139. Figure 1 below shows the allocations for FE institutions since 2013/14.



140. For 2016/17 and 2017/18, funding for the FE sector has remained relatively stable. However, this follows significant reductions in funding to the sector in previous years, the bulk of which have fallen on part-time provision for adult learners. Since 2013/14, funding for part-time provision has fallen by almost 70 per cent in real terms, reflecting the Welsh Government's decision to prioritise its funding to support schools and young people.
141. Within the allocations for FE institutions, we have protected provision for 16-18 year olds. The allocations for 2016/17 and 2017/18 also include one-off allocations of £796,000 to reflect growth in level 3 provision for learners aged 16-19.
142. In addition, we have striven to protect our most vulnerable learners by protecting the Adult Basic Education (ABE) budget and English for Speakers of Other Languages (ESOL) budget. We have also protected discrete provision for learners with moderate or profound learning difficulties.
143. Following the reduction, the Welsh Government and the FE Sector have worked closely on a 'creative solutions' project, that is supported by £1.8m Welsh Government funding, to identify and pilot new ways of effective and efficient learning that benefits the learner including accelerated programmes of learning and an introduction of programmes with more workplace learning experience.

How part-time and adult learning provision has been considered as part of budget allocations.

144. The Further Education Provision BEL allocated to FEIs, Sixth Forms and ACL providers, is allocated in line with statutory obligations.
145. Section 31 of the Learning and Skills Act 2000 differentiates our statutory obligations between learners aged 16-18 and those aged over 18 at entry of learning, with 'proper' provision and facilities being secured for 16-18 year olds and 'reasonable' provision and facilities being secured for those aged over 18.
146. It is with this in mind that part-time and adult learning has been subject to the more significant reduction in recent years.

An assessment of the impact allocations to FEIs' budgets have had in the past five years on provision and learner numbers.

147. Assessment impacts are undertaken before each allocation is agreed. The reductions in part time learning have impacted greatest on females and older learners (as expected in the original assessments). Welsh Government statistics support this.
148. Information we hold on ESTYN inspections and learner outcomes do not indicate that the remaining provision at colleges has been impacted by the reductions in other areas, but a full evaluation would be needed to support this.
149. ***Detailed explanation of how the funding contained in the Further Education BEL is allocated and spent.***

150. In allocating the money the first call on the BEL is to account for existing forward commitments. The main forward commitment is the April to July element of the FE academic year allocation.
151. The second call on the BEL relates to Local Authority allocations for sixth form delivery. The Local authority allocations are a two step process that uses demographic change and average learning patterns to inform the funding.
152. The third call on the BEL is for FE allocations to be derived. This is ordinarily a baseline allocation that takes the previous years allocation and increases/decreases according to the needs of full time learners, with the remainder made available for part time learning.
153. Once allocated local authorities are asked to plan their provision and consider how they reduce duplication, increase collaboration and ensure that learner outcomes are placed at the core of any decisions. These plans are shared with WG who scrutinise and meet with Local Authorities if there are any issues.

There is no end of year reclaim. Should demographics or delivery vary from the data used to inform the allocations this new data will be used to inform future year's allocations.

154. FEIs are asked to plan their provision and consider how they reduce duplication, increase collaboration and ensure that learner outcomes are placed at the core of any decisions. FEIs are also asked to consider the information contained in the Regional Skills Plans to ensure provision is matching the needs of local employers, hence improving Welsh Economy.
155. ACL submit annual delivery plans to show how they are meeting local needs whilst adhering to the ACL policy.

Higher education

Budget provision for HEFCW to allocate to the higher education sector and an updated assessment of universities' income.

156. Proposed future years budget provision for HEFCW, 2017-18 to 2019-20

2017-18 First Supplementary budget £'000	2018-19 New Plans Draft budget £'000	2019-20 New Plans Draft budget £'000
104,386	108,519	124,760
*The figures above include £0.090m for HEFCW Capital (depreciation).		

Finance of Welsh HEIs by category and academic year, 2011/12 to 2015/16

	£thousand				
	2011/12	2012/13	2013/14	2014/15	2015/16
Total income	1,274,144	1,274,426	1,378,792	1,441,909	1,514,422
Funding Council Grants	395,058	268,500	249,073	186,893	183,687
Tuition fees & education grants & contracts	432,178	559,823	652,986	743,763	798,388
Research grants & contracts	169,943	175,151	191,789	212,398	204,609
Other income	269,705	262,387	276,600	287,372	311,997
Endowment & investment income	8,455	8,565	8,344	11,483	15,741
Total expenditure	1,244,261	1,257,464	1,333,632	1,462,387	1,448,638
Staff costs	723,834	733,412	778,994	849,386	832,426
Other operating expenses	446,622	449,355	474,917	508,925	482,750
Depreciation	60,734	62,839	68,895	75,849	95,641
Interest payable	13,071	11,858	10,826	28,227	37,821

Source: HESA Finance Record (<https://stats.wales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Staff-and-Finance/financeofheis-by-category-year>)

Funding for Welsh-medium provision, including the Coleg Cymraeg Cenedlaethol, and how the findings of the Task and Finish Group have influenced budget allocations.

157. The final report of the task and finish group which was established to review the activities and future role of the Coleg Cymraeg Cenedlaethol was published on 25 July 2017. The report makes a number of recommendations regarding the future activity of the Coleg with a focus on ensuring that future budgets and activities are targeted at areas which will have the greatest impact in developing Welsh-medium provision and at encouraging more students to continue their studied through the medium of Welsh.
158. The report concludes that Welsh-medium provision within HE needs to be supported if the current gains are to be maintained and the provision is to be developed further in line with the Welsh Governments Cymraeg 2050 Strategy. It also recommends that the role of the Coleg is extended to include the post-16 sectors, (FE and WBL) it recommends that no additional budget is immediately required and that the Coleg has some capacity within existing structures to make initial progress within these areas. A full response to the report will be

published in due course and future funding agreements with the Coleg Cymraeg Cenedlaethol will respond accordingly.

Impact of Brexit on the higher education sector, including access to research funding and numbers of students coming from the EU

159. Numbers of students coming from the EU

EU students at Welsh HEIs by level and mode of study, 2015/16

	Aberystwyth	Bangor	Cardiff	Cardiff Met	Glyndwr	Swansea	Trinity	USW
Full-time undergraduate								
EU domiciles	500	275	795	240	215	375	125	980
All domiciles	6,400	7,600	18,615	8,590	3,155	12,910	6,040	14,940
Percentage	8%	4%	4%	3%	7%	3%	2%	7%
Part-time undergraduate								
EU domiciles	105	5	25	*	295	5	15	15
All domiciles	1,287	638	3,290	627	2,852	1,769	2,382	5,902
Percentage	8%	0%	1%	0%	10%	0%	1%	0%
Full-time postgraduate								
EU domiciles	65	80	370	100	30	175	10	240
All domiciles	590	1,405	4,745	2,325	175	1,920	650	1,735
Percentage	11%	6%	8%	4%	16%	9%	11%	14%
Part-time postgraduate								
EU domiciles	5	60	150	35	5	35	35	95
All domiciles	475	980	4,030	1,035	475	850	855	2,695
Percentage	1%	6%	4%	3%	1%	4%	4%	4%

Source: HESA Student Record, 2015/16

Student numbers are rounded to the nearest 5; * indicates a figure greater than zero and less than three.

Proportion of academic staff from EU countries

160. Cardiff Metropolitan, Glyndwr, Trinity Saint David's and University of South Wales have 3-4% of their staff from the EU;
161. Aberystwyth, Bangor, Cardiff and Swansea have 12-13% of their staff from the EU.

Reform to Post-compulsory and education training (PCET)

The impact of the Welsh Government's response to the Hazelkorn Review and consultation regarding PCET on budget allocations in 2018-19 and 2019-20.

162. I can confirm that there are no immediate budget implications arising from the PCET reforms at this stage in the process. The initial costs of undertaking a consultation will be met from within existing resources.

Student Support

A breakdown for 2015-16, 2016-17 and 2017-18 (projected where possible) of the Welsh Government Learning Grant (WGLG) BEL, including how much was spent on the Educational Maintenance Allowance, WGLG FE, WGLG HE and the Tuition Fee Grant

BEL 4704 Expenditure and budget

Type of grant	Expenditure in 2015-16 £m	Expenditure in 2016-17 £m	Budget in 2017-18 £m
Part Time Grants & Fees	9.2	8.1	10.0
Targeted Grants	17.2	17.4	21.0
Welsh Government Learning Grant HE	137.8	135.8	135.6
Welsh Government Learning Grant FE	6.6	5.9	6.6
Tuition Fee Grant	243.5	261.8	276.9
Education Maintenance Allowance	21.9	19.7	19.5

The impact of the new student funding arrangements in September 2017 and September 2018 on budget provision in 2018-19 and 2019-20

163. The reforms will result in future resource savings, which will phase in over several years. Savings will increase as the tuition fee grant is phased out over a 5 year period, releasing revenue to enable a sustainable system of HE funding over the longer-term. This will lead to transfers from the Student Support Grant BEL to HEFCW (to fund other HE priorities) and SLC Administration (to fund implementation of the reforms). This will reflect the commitments made in the Cabinet paper outlining the Welsh Governments response to the Diamond Review to ensure that HEFCW has a sustainable baseline and that SLC are able to administer the revised system of student support.

The latest modelling of the costs of the Tuition Fee Grant, including:

- ***The amount in tuition fee grants paid in respect of students attending Welsh institutions and institutions outside Wales respectively in previous years.***

Tuition fee grant expenditure by location of study

	Financial year expenditure				
	2012-13 £m	2013-14 £m	2014-15 £m	2015-16 £m	2016-17 £m
Tuition Fee Grant	48.1	129.3	194.2	244.4	261.9
Welsh in other UK HEIs	16	45	72	93	99
Welsh in Welsh HEIs	30	78	112	138	147
EU in Welsh HEIs	2	7	10	13	16

Source: Higher Education Division internal analysis, Welsh Government

- ***Updated information on student flows between Wales and the rest of the UK.***

Cross border flow of first-year full-time undergraduate students by level – 2014/15

Domicile	Location of institution				
	Wales	England	Scotland	N Ireland	Total UK
Total UK	23,755	352,525	37,270	10,305	423,855
Wales	13,000	7,750	115	5	20,870
England	10,535	340,060	4,500	815	355,905
Scotland	70	1,525	31,710	10	33,320
N Ireland	155	3,165	945	9,470	13,735
UK unknown		20			25

Cross border flow of full-time students by level – 2015/16

Domicile	Location of institution				
	Wales	England	Scotland	N Ireland	Total UK
Total UK	23,770	363,550	37,390	8,920	433,630
Wales	13,205	7,950	120	10	21,290
England	10,355	350,360	4,610	380	365,700
Scotland	50	1,620	31,650	25	33,335
N Ireland	160	3,600	1,015	8,505	13,280
UK unknown		20			20

Source: HESA Student Record (<https://statswales.gov.wales/v/CSUp>)

- **Estimated costs of tuition fee grants for 2018-19 and beyond.**

Forecast of financial year expenditure

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Tuition Fee Grant	261.9	272.2	223.0	129.9	55.8

Source: Higher Education Division internal analysis, Welsh Government

Youth work

Information on budget provision within the Education MEG to support Youth Work

164. In both 2018-19 and 2019-20, £3.5m has been allocated on an annual basis in the draft budget to directly support Youth Work. This funding is identified from within the Youth Engagement and Employment BEL.
165. While future decisions on the strategic use of funding must be informed over time by the outcome of Margaret Jervis's work on Extending Entitlement, and the strategic advice envisioned through the National Youth Support Services (NYSS) Board, the following detail reflects annual funding as it is currently identified.
166. £2.5m is identified to support youth work via the Youth Support Grant (an amalgamation of the former Youth Engagement and Progression Framework Grant and the Youth Work Strategy Support Grant). This funding is allocated

directly to local authorities and the amount available going forward reflects a 10% reduction on previous years.

167. £180k is identified for a range activities aimed at recognising, promoting, and celebrating outstanding youth work practice and youth workers across Wales. This includes, though is not limited to, the Youth Work Excellence Awards, Youth Work Week, annual Youth Work conferences, and the Youth Work Quality Mark.
168. £796k is identified to support voluntary youth work organisations across Wales, including via the National Voluntary Youth Organisation Grant (NVYO), and to quality assure professional programmes of training for youth workers in Wales.
169. Finally, and in addition to the figures quoted above, £994k is identified via the Youth Support Grant to support delivery of the Youth Engagement and Progression Framework (YEPF), aimed at reducing the number of young people who are/at risk of becoming NEET. As part of that grant funding local authorities may use some of it to support Youth Work, potentially against the lead worker element of the YEPF. However, the amount of grant allocated to this would be down to local authorities' discretion and dependent on their priorities. The amount available represents a 10% reduction on previous years.

An update on the review of youth work grants, additional to the local government RSG including the National Youth Organisation NVYO and any decisions that have been made about future provision.

170. The following reviews were undertaken with initial findings being reported to Welsh Government in summer 2017:
- The Youth Work Strategy Support Grant
 - The Welsh Government's Annual Grant to the Council for Wales of Voluntary Youth Services (CWVYS)
 - The Welsh Government's Annual Grant to Education and Training Standards Wales (ETS Wales)
 - The National Voluntary Youth organisation (NVYO) Grant
171. Publication of these reports, where appropriate, will take place from this autumn and will inform how we continue to strengthen our approaches to supporting Youth Work in Wales. As previously set out, it is essential that any decisions are informed by the outcome of Margaret Jervis's work on Extending Entitlement and, later, by the strategic advice envisioned through the NYSS Board. I anticipate Margaret's initial report to the Minister for Lifelong Learning and Welsh Language being provided no later than November of this year and the NYSS Board being in place by Spring 2018.
172. In terms of the NVYO grant I can confirm that funding for a further two years has been agreed in principle and the process of application is underway with applications from voluntary organisations across Wales being considered in November 2017.

Summary

173. The Education MEG Draft Budget for 2018-19 is presented to the Committee for consideration.

Kirsty Williams AM
Cabinet Secretary for Education

ANNEX A**Action level summary**

- As requested by the Committee, a summary of draft budget changes by Action relevant to this Committee is provided below. As detailed in paragraph 3, the summary reflects changes from the revised baseline for 2018-19 in order to enable a meaningful comparison.

Literacy and Numeracy Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
4,456	3,000	7,456	-900	6,556

- The budget funds a range of interventions to support the agenda of improving literacy and numeracy skills of children and young people. Funding within this Action specifically supports the implementation of actions set out in the National Literacy and Numeracy Programme; however literacy and numeracy are embedded across the delivery of education policies. The budget also supports the development and delivery of Reading and Numeracy Tests.
- The support offer for literacy and numeracy is already delivered in an effective and efficient method by consortia through the Education Improvement Grant, which has within its remit the priorities of literacy and numeracy. This adds substantially to the total support offered for these skills in schools.
- The revised baseline figure for 2018-19 includes the removal of the £2.5m Invest to Save funding, awarded in the 2017-18 Final Budget.
- The budget for the Literacy and Numeracy action has increased in 2018-19 compared to the revised baseline budget by £3.0m. This is due to the transfer in from the Central Services and Administration MEG in respect of Invest to Save funding to fund the online tests. This funding will decrease in 2019-20 by £900k to £2.1m. There is a total investment of £11.5m from Invest to Save between 2016-17 and 2019-20. Repayments then following for a further 5 years from 2020-21 until 2024-25.

Curriculum Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
15,701	-2,184	13,517	-284	13,233

- This action is made up of the Foundation phase BEL (policy work only, the delivery funding now sits in the Education Improvement Grant within the

Education Standards Action), the Curriculum and Assessment BEL and the Curriculum Review. The budget decreases by £2.184m compared to the baseline.

- The change is a result of reductions to the following budgets:
 - £0.030m transfer out from the Curriculum and Assessment BEL to the Communities and Childrens MEG to fund the development of early years and childcare workforce;
 - £1.432m within MEG transfer to the School Improvement Grant BEL so that Modern Foreign Languages and GCSE support can be funded through the Education Improvement Grant;
 - £0.048m transfer out to central reserves as part of the grants rationalisation exercise, this includes a 10% reduction to the Modern Foreign Languages grant.
 - £1.0m allocation to support Music Priorities as part of the budget agreement with Plaid Cymru;
 - £1.0m reductions to the GCSE Support programme in 2018-19 and a further £1.0m in 2019-20 when the programme will end. The GCSE Support Programme has enabled delivery of support from 2014 onwards and by 2020 the support provision for the range of new GCSEs will be embedded;
 - £0.008m reduction to the Assessment budget will be achieved through not extending the ALN practitioner secondment;
 - £0.320m reduction to the Techniquest budget and a further £0.220m in 2019-20 as agreed in previous years.
 - £0.046m reduction to the First World War Education Programme and a further £0.054m in 2019-20 due to the programme of work ending; and
 - £0.300m reduction to the Foundation Phase BEL following the transfer of funding relating to Mudiad Meithrin to the Welsh in Education BEL.

Teaching and Leadership Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
19,731	-927	18,804	-140	18,664

- This action includes the funding for initial teacher training and continued professional development for teaching professionals. We are embarking on a large change programme in our education system and Initial Teacher Education

(ITE) is a fundamental part of this. We know that the current system has weaknesses and this is a key time for us to consider all aspects of teacher recruitment, retention and development. It is important to consider how we develop a unique offer for people entering into teaching in Wales. There is a need to consider the undergraduate, post graduate and graduate teacher programme along with the incentives that are currently available so that we can not only attract but retain and develop high quality teachers.

- The budget will reduce by £0.927m in 2018-19 and a further £0.140m in 2019-20. The change is a result of reductions to the following budgets:
 - £1.75m additional funding to eliminate the baseline adjustment and maintain current incentive scheme. A rapid review has been undertaken and recommended that new incentives package is developed which may cost more than £3.360m current requirement if all places are filled;
 - £0.250m additional funding to increase the capacity of GTP;
 - £0.232m transfer out to Central reserves in 2018-19 and 2019-20 as part of the grants rationalisation exercise, this includes a 10% reduction to the Pioneer Schools grant and the Mentoring and Networking Support for Headteachers grant. The balance of the Mentoring and Networking Support for Headteachers grant has been transferred to the School Improvement Grant BEL so that it can be administered through the Education Improvement Grant;
 - £0.030m reduction to Early Professional Development 2018-19 onwards;
 - £1.5m reduction to the Masters programme and a further £0.2m in 2019-20. These savings have been offered up as the MEP is coming to an end although students, who due to University regulations, have up to five years to complete their studies; and
 - £1.075m reduction to Pioneer Schools following the natural close to the OECD work in Self Improving Schools and also scaling down National Pioneer Events and associated costs.

Qualifications Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
8,142	-	8,142	-	8,142

- This action funds Qualifications Wales which was established in September 2015. The majority of grant in aid funding for Qualifications Wales is to support their running costs (over 70%), with the remainder for the research and development work the body undertakes to underpin its work as a regulator.

There have been no changes to the budget for the 2018-19 or 2019-20 financial years.

Post-16 Education Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
401,881	4,565	406,446	-9,827	396,619

- This action includes funding for learning in local authority sixth forms, Adult Community Learning (ACL) venues, and Further Education Institutions (FEIs). A small amount of the resource is used to support new initiatives and quality improvement activities; as well as funding to support the delivery of the Seren networks that supports progression to Sutton Trust universities for the most able and talented of our learners.
- The revised baseline figure for 2018-19 includes the removal of the £5.005m one year allocation to Further Education, awarded in the 2017-18 Final Budget, as part of the Plaid budget agreement.
- The budget for the post-16 Education Action has increased in 2018-19 compared to the revised baseline budget by £4.565m. This is made up of the following:
 - Reinstatement of the £5.005m referred to above from reprioritisation from within the Education MEG, to contribute towards the pay and related pressures faced by the sector
 - A transfer out of this action to central reserves (£0.440m), as part of the grants rationalisation exercise. This includes a 10% reduction to the Adult Community Learning (£0.430m) and Seren Network (£0.010m).
- This Action decreases further in 2019-20 by £9.827m. As part of the local government grants rationalisation exercise, we have identified a reduction to the Schools Sixth Form budget. We will work closely with the sector to ensure any efficiency has minimal impact on the choices offered, the quality of provision and the outcome for learners.

Higher Education Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
79,391	29,128	108,519	16,241	124,760

- The revised baseline figure for 2018-19 includes the removal of £24.995m one year allocation to HEFCW awarded in 2017-18 Final Budget, as part of the Plaid Budget agreement.
- The budget for Higher Education Action has increased by £29.128m in 2018-19 compared to the revised baseline budget. This is made up of the following transfers:
 - £9.152m transfer in from the Post-16 Learner Support and £6.547m from within the MEG. These additional allocations reflect the start of the movement of funds from the tuition fee grant to HE and the start of the implementation of phase II of the Welsh Government response to Diamond.
 - As part of the budget agreement with Plaid Cymru funding of £20m has been allocated for Higher Education and Further Education which will allow the sectors to prepare for the implementation of the Welsh Government response to the Diamond review. In line with the findings of the Diamond review this money will encourage closer collaboration between the sectors in preparation for reforms to Post Compulsory Education and Training (PCET).
- A reduction of £6.241m in 2018-19. This is a reallocation of resources and will offset an increase in 2017 -18 (which will be funded from within the Education MEG). This increase in resources in 2017-18 will help the sector offset the short term implications of demographic change in the number of 18 year olds and prepare for the impact on Brexit.
- A recurrent transfer of £0.330m to the Welsh in Education Action to support the Welsh medium scholarship scheme. This means that the budget for this Action increases in 19-20 by £16,241m compared to the 18-19 draft plans.
- The budget within the HEFCW capital BEL (Depreciation) of £0.090m has been maintained at 2017-18 levels.
- Welsh Government policy on higher education and student support has been designed to ensure that access to higher education is based on ability not on affordability. Support is targeted at those most in need with those from households with the lowest form of income getting the highest level of non repayable grants.

Education Standards Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
156,800	-8,911	147,889	-10,593	137,296

- The Education Improvement Grant (EIG) continues to form the majority of this Action and is the main grant funding available to schools, local authorities and consortia to deliver improvements in school performance. The grant will continue to provide flexibility for consortia, local authorities and schools to target the funding where it is needed most. However officials will continue to work with regional consortia and local authorities to further simplify arrangements, reduce administrative and management costs.
- The budget has decreased by £8.911m in 2018-19 and a further £10.593m in 2019-20. This decrease is mainly as a result of the transfer to central reserves as part of the grants rationalisation exercise, this includes a reduction to the Education Improvement Grant of £13.145m in 2018-19 and a further £9.093m in 2019-20. Funding of £0.700m has also been removed for the School Uniform Grant.
- £1.522m has also transferred into the School Improvement Grant BEL to fund the Modern Foreign Languages grant, the GCSE support grant and the Mentoring and Networking Support for Headteachers grant so that they can be administered through the Education Improvement Grant;
- There have been additional allocations to the Raising School Standards BEL of £5.0m in 2018-19 and a further £0.5m in 2019-20 as we move to investing £100m over this Assembly Term; and
- There have been reductions of £0.388m to the Independent Investigation Service and the Governors Wales grants.

Pupil Development Grant Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
93,746	-	93,746	-	93,746

- The Pupil Development Grant (PDG) is a key opportunity for schools to provide targeted support to reduce inequalities in educational attainment. There have been no changes to the budget for the 2018-19 or 2019-20 financial years.

ICT and Information Management Systems Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
6,659	-50	6,609	-	6,609

- This Action supports the delivery of the curriculum through providing access to a range of high quality digital teaching tools and resources, including Hwb

through the Learning in Digital Wales (LiDW) programme and JISC (a UK shared service network for post 16 education); the Unique Learner Number project and in house data management systems.

- As part of the grants rationalisation exercise, there is a transfer of £50k to central reserves in 2018-19, this includes a 10% reduction to the Learning In Digital Wales grant.

Wellbeing of Children and Young People Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
18,997	-	18,997	-	18,997

- The majority of this action funds the specialist residential college placements for post 16 students with severe learning difficulties. This funding is statutory and demand led in accordance with Welsh Ministers duties under the Learning and Skills Act. There have been no changes to the budget for the 2018-19 or 2019-20 financial years. Specialist FE provision is essential in ensuring that those disabled young people whose needs cannot be met in their local college are able to access further education and training suitable to their needs.
- We have continued to protect funding for School Milk Scheme in the Foundation phase and at Key Stage 2 at a subsidised rate.

Post-16 Learner Support Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
589,816	-2,628	587,188	-24,016	563,172

- The budget for the Student Support Grants BEL (Previously Welsh Government Learning Grant BEL) sits within this Action. This budget includes the demand led statutory student support programme accounts for HE and FE. The budget supports Part-Time Grants and Fees, Student Loan Company (SLC) Targeted Grants, Student Support Grants, Tuition Fee Grant and the Education Maintenance Allowance.
- The revised baseline figure for 2018-19 includes the removal of £0.800m transferred in from the Health, Wellbeing and Sport MEG to support the NHS Bursary activity, transferred in the 2017-18 first supplementary budget.
- There has been a reduction from the baseline budget by £2.628m to £587.188m in 18-19. There are several elements that contribute to the net decrease.

- A transfer out of £0.476m to Central Services and Administration MEG for the invest to save repayment in relation to the upgrades to the Student Loans system;
- A transfer out of £9.152m to the Higher Education Action to support the implementation of Diamond;
- an additional £2m (from within Education MEG) to ensure that the SLC is able to deliver the additional requirements to implement Welsh Government response to Diamond.
- The Post-16 Learner Support Action decreases further in 19-20 by £24.016m compared to the new 2018-19 draft plans, this reduction reflects the following:
 - A reduction of £24.016m in the Student Support Grants BEL to reflect year 2 of the implementation of the Welsh Government response to Diamond and a further adjustment to reflect the estimated impact of demographic trends which shows a reduction in the number of 18 year olds in Wales.
 - We have maintained our commitment to provide financial support to students from the lowest household incomes into 2018-19 and 19-20 by retaining the overall level of support available for students.

Pupil Engagement Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
600	-85	515	-	515

- This Action funds activities aimed at small projects and improving outcomes for vulnerable/ disadvantaged learners through improving wellbeing, behaviour and attendance in schools; engaging families and communities; reducing exclusions; improving the quality of provision for learners education other than at school.
- There is a reduction to the budget for 2018-19 of £85k to release the funding that was previously earmarked to fund the School Holiday Enrichment Programme. This is as a result of funding of £500k being allocated to the Food and Nutrition in Schools BEL within the Wellbeing of Children and Young People action as part of the Final Budget 2017-18 and has been included within the baseline for 2018-19 and 2019-20 financial years.

Youth Engagement and Employment

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
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£000	£000	£000	£000	£000
8,539	-385	8,154	-	8,154

- This Action funds a number of grants to support statutory and voluntary youth services in Wales and delivery of activity to support NEET reduction through the implementation of the Youth Engagement and Progression Framework. In addition the Action also provides funding to the Her Majesty's Prison and Probation Service (HMPPS) to support the provision of prisoner learning and skills in adult prisons. Funding is also available for innovative pilot projects which support the offender learning agenda, and to support essential skills delivery for those serving sentences in the community.
- As part of the grants rationalisation exercise, a transfer out of £0.385m to Central reserves, this includes a 10% reduction to the Youth Support Grant.

Welsh in Education Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
24,231	7,130	31,361	-	31,361

- Welsh in Education, supports the delivery of specific interventions to increase and improve Welsh-medium education, which include:
 - the planning of Welsh-medium education;
 - the delivery of practitioner training through the Sabbatical Scheme;
 - the delivery of Welsh-language training through the National Centre for Learning Welsh;
 - commissioning of teaching and learning resources;
 - promoting language transmission in families;
 - research, evaluation and marketing in respect of Welsh in Education;
 - delivery of the Welsh Language Charter in Welsh-medium schools;
 - funding for the Coleg Cymraeg Cenedlaethol.
- The revised baseline figure for 2018-19 includes the removal of the £5.0m one year allocation, awarded in the 2017-18 Draft Budget as part of the budget agreement with Plaid Cymru to be used to enhance and strengthening the promotion function undertaken by the Welsh Government.
- The Welsh in Education Action increases by £7.13m for 2018-19. As part of the budget agreement with Plaid Cymru this includes allocations totaling £6.5m consisting of £0.5m for Improved provision of bilingual education resources; £1.0m for Mudiad Meithrin; and £5.0m for Welsh Language funding.
- There are also further transfers in of £0.330m from the HEFCW Programme Expenditure BEL (4620) in relation to the Welsh Medium Scholarship Scheme and £0.300m from the Childrens and Communities MEG in respect of Mudiad Meithrin.

- A £0.300m transfer has also been made from the Foundation Phase BEL (5501) in respect of Mudiad Meithrin.
- As part of the review to meet reduced budgets, a £0.300m reduction was identified through reducing funding for several projects across both the Welsh Education Strategy BEL and Welsh Language BEL, through savings as a result of a combination of projects coming to an end and the reprioritisation of funds.

Welsh Language

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
6,964	-	6,964	-	6,964

- The Welsh Government's strategy *Cymraeg 2050* was published in July 2017 and includes a cross-government commitment to reaching a million Welsh speakers by 2050. This action supports activities and programmes under theme 2 (Increasing the use of Welsh) and theme 3 (Creating favourable conditions) of the *Cymraeg 2050* Strategy.
- The funding relating to the Welsh Language Commissioner supports which include:
 - Ensure compliance with the Welsh language standards;
 - Promote and facilitate the use of Welsh; and
 - Conduct investigations into allegations of interference with individuals' freedom to use the Welsh language with one another.
- There have been no changes to the budget for the 2018-19 or 2019-20 financial years.

Delivery Support Action

2018-19 Revised Baseline	Budget Changes and Reprioritisation	2018-19 New Plans Draft Budget	Budget Changes and Reprioritisation	2019-20 New Plans Draft Budget
£000	£000	£000	£000	£000
1,945	-375	1,570	-69	1,501

- This Action funds marketing and communications, research and the International Education Programme (IEP). It also includes funding for the Remploy programme, which is funded from the Education MEG although policy responsibility rests with the Cabinet Secretary for Communities and Children.
- The change is a result of reductions to the following budgets :
 - £0.383m reduction to Remploy in 2018-19 and a further £0.028m in 2019-20 when commitments against Remploy cease;

- £0.006m from the publications budget in 2018-19 and a further £0.006m in 2019-20 through decommissioning the Learning Wales website by September 2018, moving content to Hwb or Learning Wales in advance of the new curriculum;
- £0.01m from the publications budget in 2018-19 and a further £0.012m in 2019-20 through making greater use of digital resources and developing work in-house campaigns to support behavior change until a decision is taken on whether promotion of the Welsh language remains within or outside Government will need to continue; and
- £0.024m increase to the Evidence and Research budget due to the profile of payments for PISA 2018.

Capital – Estates and IT Provision Action

2018-19 Plans as per 2017-18 Final Budget £000	Budget Changes and Reprioritisation £000	2018-19 New Plans Draft Budget £000	2019-20 Plans as per 2017-18 Final Budget £000	Budget Changes and Reprioritisation £000	2019-20 New Plans Draft Budget £000	2020-21 Plans as per 2017- 18 Final Budget £000	Budget Changes and Reprioritisation £000	2020-21 New Plans Draft Budget £000
128,061	40,000	168,061	135,745	40,400	176,145	143,890	10,000	153,890

- This budget supports the 21st Century Schools and Education Programme. Band A of the programme will see investment of more than £1.4bn over the five year period ending 2019. All local authority areas will benefit from this major improvement programme, which will see the rebuilding and refurbishment of 150 schools and colleges. This budget will also be used to support any capital funding requirements to deliver our education priorities, including class sizes and prioritising schools access to super-fast broadband. The funding that has been allocated for HE Estate Rationalisation, support for essential maintenance within Further Education Institutions and industry standard equipment will be included within this budget.
- There have been additional allocations made to the programme of £40.0m 2018-19, £40.4m 2019-20 and £10.0m 2020-21. The purpose of the additional allocations are detailed in the Evidence Paper.

CAPITAL BUDGET																			
Action	BEL No.	BEL Description	2016-17 Final Outturn	2017-18 Forecast Outturn	2017-18 Supplementary Budget June 2017			2018-19 Plans as per 2017-18 Final Budget	2018-19 Transfers Within MEG	2018-19 Allocations / Reductions	2018-19 New Plans Draft Budget	2019-20 Plans as per 2017-18 Final Budget	2019-20 Transfers Within MEG	2019-20 Allocations / Reductions	2019-20 New Plans Draft Budget	2020-21 Plans as per 2017-18 Final Budget	2020-21 Transfers Within MEG	2020-21 Allocations / Reductions	2020-21 New Plans Draft Budget
Estate and IT Provision	4765	Education Infrastructure	133,024	100,813	100,813			128,061		40,000	168,061	135,745		40,400	176,145	143,890		10,000	153,890
	5020	General Support	43,021																
Total Estate and IT Provision			176,045	100,813	100,813			128,061	0	40,000	168,061	135,745	0	40,400	176,145	143,890	0	10,000	153,890
Post-16 learner support	4706	SLC/HMRC Administration Costs		11,900															
Total Post-16 learner support			0	11,900	0														
Educational & Careers Choice	4480	Careers Wales	-538																
Total Careers Wales			-538	0	0														
EDUCATION - TOTAL CAPITAL BUDGET			175,507	112,713	100,813			128,061	0	40,000	168,061	135,745	0	40,400	176,145	143,890	0	10,000	153,890

RESOURCE BUDGET - Annually Managed Expenditure														
Action	BEL No.	BEL Description	2016-17 Final Outturn	2017-18 Forecast Outturn	2017-18 Supplementary Budget June 2017				2018-19 Allocations / Reductions	2018-19 New Plans Draft Budget			2019-20 Allocations / Reductions	2019-20 New Plans Draft Budget
Post-16 learner support	4713	Student Loans - AME	-64,019	-123,760	-104,958				-23,424	-128,382			-10,017	-138,399
Total Post-16 learner support			-64,019	-123,760	-104,958				-23,424	-128,382			-10,017	-138,399
Educational & Careers Choice	4483	Careers Wales AME	12,429											
Total Careers Wales AME			12,429	0										
EDUCATION - TOTAL RESOURCE AME BUDGET			-51,590	-123,760	-104,958				-23,424	-128,382			-10,017	-138,399

CAPITAL BUDGET - Annually Managed Expenditure														
Action	BEL No.	BEL Description	2016-17 Final Outturn	2017-18 Forecast Outturn	2017-18 Supplementary Budget June 2017				2018-19 Allocations / Reductions	2018-19 New Plans Draft Budget			2019-20 Allocations / Reductions	2019-20 New Plans Draft Budget
Post-16 learner support	4713	Student Loans - AME	421,991	522,873	513,397				145,042	658,439			158,044	816,483
Total Post-16 learner support			421,991	522,873	513,397				145,042	658,439			158,044	816,483
EDUCATION - TOTAL CAPITAL AME BUDGET			421,991	522,873	513,397				145,042	658,439			158,044	816,483

EDUCATION - SUMMARY	2016-17 Final Outturn	2017-18 Forecast Outturn	2017-18 Supplementary Budget June 2017	Baseline Adjustments	2018-19 Revised Baseline	Revised Resource Baseline / 2018-19 Original Capital Plans	2018-19 Changes	2018-19 New Plans Draft Budget	Revised Resource Baseline / 2019-20 Original Capital Plans	2019-20 Changes	2019-20 New Plans Draft Budget	Revised Resource Baseline / 2020-21 Original Capital Plans	2020-21 Changes	2020-21 New Plans Draft Budget
Resource	1,675,714	1,480,408	1,478,335	-40,736	1,437,599	1,437,599	28,278	1,465,877	1,465,877	-29,588	1,436,289	0	0	0
Capital (No Capital Baseline)	175,507	112,713	100,813	0	100,813	128,061	40,000	168,061	135,745	40,400	176,145	143,890	10,000	153,890
Total Resource & Capital	1,851,221	1,593,121	1,579,148	-40,736	1,538,412	1,565,660	68,278	1,633,938	1,601,622	10,812	1,612,434	143,890	10,000	153,890
Resource AME	-51,590	-123,760	-104,958	0	-104,958	-104,958	-23,424	-128,382	-128,382	-10,017	-138,399	0	0	0
Capital AME	421,991	522,873	513,397	0	513,397	513,397	145,042	658,439	658,439	158,044	816,483	0	0	0
Total AME	370,401	399,113	408,439	0	408,439	408,439	121,618	530,057	530,057	148,027	678,084	0	0	0
EDUCATION - TOTAL BUDGET	2,221,622	1,992,234	1,987,587	-40,736	1,946,851	1,974,099	189,896	2,163,995	2,131,679	158,839	2,290,518	143,890	10,000	153,890