

CYPE(5)-24-19 - Paper to note 13

Cynulliad Cenedlaethol Cymru

Y Pwyllgor Plant, Pobl Ifanc ac Addysg

National Assembly for Wales

Children, Young People and Education Committee

Kirsty Williams, AM
Minister for Education

31 July 2019

Dear Kirsty,

Welsh Government Draft Budget 2020-21

In line with our usual practice, we are writing in advance of the publication of the Welsh Government's Draft Budget 2020-21 to request written information to inform our scrutiny.

Both the Finance Committee and the Finance Minister have written to all Assembly Committees to inform us that uncertainty remains about the timing of this year's budget process while plans for the UK Government Comprehensive Spending Review are unconfirmed. In the meantime, we thought it would be helpful to provide as much notice as possible of the written information we would welcome in time for the sessions we hold with you, whether they take place as normal (in autumn term 2019), or later (in spring term 2020).

The Clerk will liaise with your officials to agree dates for our oral evidence session, and by when we would welcome the written information. We recognise that it will not be possible to confirm arrangements until there is more clarity about the UK Government's position. We will retain as much flexibility as we can in our forward work programme until we know more.

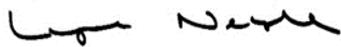
As in previous years, we will base our approach on the four principles of financial scrutiny: affordability, prioritisation, value for money and budget processes. We will also seek evidence from the Minister for Health and Social Services on matters of relevance to our remit. To avoid unnecessary duplication, we will also invite Members of the Economy, Infrastructure and Skills Committee to join us for our scrutiny of the Education MEG – I have copied the EIS Committee's Chair, Russell George AM, for awareness. I have also copied this letter to the Culture, Welsh Language and Communications Committee's Chair, Bethan Sayed AM, as I understand that she will be in touch to request information about areas of interest within its portfolio.



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Yours sincerely,



Lynne Neagle AM
Chair

Cc Russell George AM, Chair, Economy, Infrastructure and Skills Committee

Bethan Sayed AM, Chair, Culture, Welsh Language and Communications Committee



ANNEX – REQUEST FOR WRITTEN INFORMATION IN ADVANCE OF DRAFT BUDGET SCRUTINY

We request information on the following cross-cutting areas, if they are not already covered in the budget narrative

1. Cross-cutting areas

1.1 Transparency of budget presentation

Last year we emphasised the importance of presenting the Draft Budget transparently to enable full and thorough scrutiny. As such, we again request a transparent narrative explanation (and numeric depiction) of the following:

- reductions/removal or increases/additions relating to specific areas of the draft budget compared to previous financial years (e.g. grants being reduced or ceasing to exist altogether/being increased or introduced);
- what proportion any changes to the overall amount previously allocated represent (e.g. taking the School Uniform Grant as an example from 2018-19, being clear that this meant the whole grant was being removed); and
- where exactly this change is being made in the draft budget, and whether money will be returned to/taken from central reserves or allocated to/from other budget lines.

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

- We request commentary on each of the Actions within the Education Main Expenditure Group (MEG), including an analysis and explanation of significant changes since the 2019-20 First Supplementary Budget (June 2019).
- We also request a breakdown of the 2020-21 and indicative 2021-22 (if available) Education MEG by Spending Programme Area, Action, and Budget Expenditure Line (BEL), with 2019-20 First Supplementary Budget allocations, forecast 2019-20 outturns, and 2018-19 final outturns all included.
- If the Welsh Government is using a revised baseline budget for comparative purposes, we request that the actual 2019-20 First Supplementary Budget allocations are presented alongside these as well as an explanation of the reasons for the re-calculation of the baseline.



1.3 Education priorities

- Information on how the Education MEG aligns with, and is prioritised according to, the Welsh Government's relevant priorities and key objectives, including:
 - Taking Wales Forward, Programme for Government 2016-2021;
 - Prosperity for All: the national strategy;
 - the ten education priorities agreed between the Minister for Education and the then First Minister Carwyn Jones in June 2016 (reaffirmed by Kirsty Williams and the new First Minister Mark Drakeford in December 2018);
 - the eighteen headline priorities listed in the agreement between the First Minister and the Minister for Education of December 2018;
 - Education in Wales: Our National Mission Action Plan.
- An updated assessment from the Minister on the extent to which she believes the Education MEG contains the resources necessary to deliver on the aforementioned priorities and key objectives, and information on any ongoing negotiations with the Minister for Finance and Trefnydd regarding the necessary level of resources.
- Details of whether any further prioritisation or differentiation has been made in terms of allocation of resources between the priorities and actions referred to above and whether the Minister intends to target resources at addressing any consistent themes that have emerged across the Education MEG as a whole
- Details of the assessment made of the value for money and affordability of each of the above calls on resources and how their cost-effectiveness will be monitored.
- Details of any opportunity cost exercises undertaken in respect of the above calls on resources.

1.4 Budget monitoring

- Information on the processes in place for monitoring budgets throughout the year, identifying potential deficits and surpluses, and taking remedial action or allocating additional funds to cover any shortfalls.
- Details of any changes to the Education MEG that are already anticipated in the Second Supplementary Budget 2019-20.



1.5 Impact of Brexit

- Information on the implications of UK withdrawal from the European Union for the Education MEG and how the Department is planning to manage any negative impact on budgets within the portfolio and/or seeking to take advantages of any opportunities that may arise.
- Information on:
 - the amount of EU funding the 2019-20 Education MEG has drawn on and the amount it is forecast to rely on in 2020-21;
 - the amounts of EU funding which is secure in the event of a 'no deal' Brexit and EU funding which is not secure, as well as an explanation of what this funding is used for.
- Details of any contingency planning in relation to EU funding should there be a "no deal Brexit".

1.6 Costs of legislation

- Details of any allocations within the 2020-21 budget intended for the implementation of the PCET reforms, including any costs associated with primary legislation.
- Details of any allocations within the 2020-21 budget intended for the implementation of curriculum reform, including any costs associated with primary legislation.
- An update on any ongoing costs to the Education MEG of implementing legislation passed in the Fourth Assembly and the Fifth Assembly so far, and any financial implications for the 2020-21 budget.
- Budget provision for implementing the *Additional Learning Needs and Education Tribunal (Wales) Act 2018* and the wider ALN Transformation Programme.
- Information on the financial impact of any relevant UK Parliament legislation.
- Financial implications in 2020-21 of any relevant subordinate legislation.

1.7 Children's rights and other cross-cutting considerations

As stated in our report on the Draft Budget 2019-2020, we believe a Child Rights Impact Assessment (CRIA) should be undertaken for the draft budget as a whole. In terms of the Education MEG specifically, we request:



- Information on how children’s rights, equalities (including gender equality), sustainability and the Welsh language have been considered in budget allocations.
- A copy of the CRIA undertaken by the Department for Education to inform the allocations in the draft Education MEG for 2020-21. If a specific CRIA has not been undertaken, the reasons for this and a copy of any alternative integrated impact assessment.
- Information on the account taken of the *Wellbeing of Future Generations (Wales) Act 2015* in making allocations to budget lines within the Education MEG.
- Details and/or examples of any changes made to initial allocations within the Education MEG following considerations of children’s rights, equalities, sustainability, the Welsh language, or the *Wellbeing of Future Generations (Wales) Act 2015* as a result of impact assessments, or where these assessments have had a direct influence on the setting of budgets.

2. Specific areas

We request information on the following specific areas, if they are not already covered in the commentary on each Action.

2.1 Funding for school budgets

We have recently undertaken an inquiry into school funding and published our report in July 2019. In addition to the Welsh Government’s response to that report, we would welcome – once the Draft Budget 2020-21 is available – an updated assessment of the sufficiency of provision for school budgets in 2020-21 and any other relevant information.

2.2 Funding for school improvement

- A detailed breakdown of how the annual element of the £100 million additional investment in schools standards is to be allocated and used in 2020-21.
- Confirmation of whether there was any change to the breakdown of the £25.5 million Raising School Standards funding in 2019-20 (provided in [**Annex D of the Minister’s paper in November 2018**](#)).
- An update on how expenditure of the £100 million is being spent throughout this Assembly and what it is being used for.
- In line with Recommendation 31 of our *On the money? Targeted funding to improve educational outcomes* report, an update to [**Annex E of the Minister’s paper in**](#)



November 2018 which listed BELs within the Education MEG which predominantly finance the raising of school standards (on both an individual and aggregate basis);

- Information on whether there were any changes to the breakdown of the 2019-20 Regional Consortia School Improvement Grant (RCSIG) provided in the Minister's letter dated 12 March 2019, and a projection, if available, of the 2020-21 breakdown.

2.3 Reducing the impact of deprivation and poverty

- Information on how the Education MEG reflects the Welsh Government's long-term commitment to tackle the impact of deprivation and poverty and its impact on educational achievement.
- Detail about budget provision for the Pupil Development Grant (PDG), including:
 - how much extra funding the decision to fix schools' allocations in 2018-19 and 2019-20 according to eFSM numbers in Pupil Level Annual School Census (PLASC) January 2016 has generated for the PDG compared to using PLASC 2017 or PLASC 2018.
 - how many schools had higher eFSM numbers in 2017 or 2018 compared to 2016, and therefore received less PDG than they would have if the latest data had been used?
- Detail about budget provision for the PDG Access fund, how it is being allocated and distributed, including how many families are benefitting.

2.4 Education workforce

- Details of budget allocations to finance:
 - the Welsh Government's reforms of Initial Teacher Education (ITE); and
 - the development of a national professional learning offer for the education workforce.
- Information on any financial implications for the Education MEG in 2020-21 from the professional standards for teachers in effect since September 2017.
- Details of budget provision to meet the priority of reducing bureaucracy and unnecessary workload, including extended use of business managers.



- Information on any financial implications from the priority of attracting and retaining more high-quality applicants and high calibre mature graduates into teaching through new entry routes into the profession.
- Information on any funding provided by the Welsh Government to the Education Workforce Council.
- Details of budget provision for the National Academy for Educational Leadership.
- Information on any financial implications from the supply teaching cluster pilots and other ongoing consideration of relevant reforms.
- Information on any financial implications arising from the devolution of teachers' pay and conditions, including the latest plans to finance the teachers' pay award, and subsequent additional pension costs, from September 2019.

2.5 *Curriculum for Wales*

- An update on funding to support the finalising of the design of the new Curriculum for Wales and its implementation.
- An update on how the funding for teachers' professional learning to prepare for the new curriculum is being allocated and used.

2.6 *Education Improvement Grant (EIG)*

- Information on the level of the EIG in 2020-21 and comparison with previous years.
- A copy of the outcomes framework used by the Welsh Government for monitoring the impact of the EIG and any guidance issued to or by regional consortia.
- Detail of the allocations to each regional consortia for each year since 2015-16 and planned allocations for 2020-21.
- Confirmation of the purposes the Welsh Government expects the EIG to be used for and whether these have changed at all for 2020-21.
- Details of what the Foundation Phase element of the EIG is intended to be used for, (i.e. whether solely to work towards aspirational staff ratios or if it constitutes core funding for Foundation Phase provision and if so, at which age groups).

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

- An update on the latest position for the method of funding support for Minority Ethnic and Gypsy, Roma and Traveller learners – will the £8.7 million grant funding in



place in each of 2018-19 and 2019-20 be discontinued with an expectation that these services are provided by local authorities from their own budgets?

- Information about how the use and impact of this funding in 2018-19 and 2019-20 has been monitored and evaluated.
- Confirmation—if the £8.7 million transitional funding has been discontinued and services expected to be financed from local authorities' core budgets—of whether a CRIA has been undertaken (if so, please could a copy of the CRIA be provided).

2.8 Emotional and mental health of children and young people

- Information about the financial implications for the Education MEG in 2020-21 of the Welsh Government's response to our Mind over Matter report, and subsequent actions.
- Detail of how any funding from the Health and Social Services MEG is being used to complement work in schools on this area.

2.9 Additional Learning Needs

- The financial implications of the Additional Learning Needs and Education (Wales) Act 2018 in the draft budget 2020-21 and whether the estimated costs of implementation remain the same as documented in the Explanatory Memorandum accompanying the Act in January 2018.
- Budget provision to support the ALN Transformation Programme and an updated profiling of the £20 million allocated during this Assembly.
- The latest position on the arrangements for funding the training of educational psychologists in Wales and whether the grant funding arrangement with Cardiff University is continuing into 2020-21.
- A breakdown of the Post-16 Specialist Placements BEL within the Well-being of Children and Young People Action.

2.10 Infant Class sizes

- Information about the budget provision for reducing infant class sizes in 2020-21, including;
 - how many schools, classes and pupils will have benefitted up to the end of 2019-20



- how many are expected to benefit in 2020-21 and the remainder of this Assembly.
- An update on allocations of the £16 million revenue and £20 million capital in this Assembly.
- An indication of how the value for money of the investment in reducing infant class sizes is being assessed, including details of the outcomes being sought to evidence its success.

2.11 Surplus places and small/rural schools

- An outline of the budget provision for the small and rural schools grant in 2020-21.
- An update on expenditure of the grant to date, and breakdown of how it has been allocated between local authorities.
- An indication of how the value for money of the small and rural schools grant is being assessed, including details of the outcomes being sought to evidence its success.

2.12 Community Focused Schools Initiative

- Details of budget provision for the Community Focused Schools Initiative to offer additional support to schools and colleges to help parents and children learn together.
- Details of the outcomes the Welsh Government intends to achieve from expenditure on this priority.

2.13 Estyn

- Details of Estyn's budget allocation for 2020-21 from the Housing and Local Government MEG, including what recent discussions have been held with the inspectorate on its required levels of funding and how this compares with previous years.
- Information about any implications for Estyn's budget or for Welsh Government budget lines from Professor Donaldson's report, A Learning Inspectorate, and subsequent actions.

2.14 Qualifications

- Details of the budget allocation to Qualifications Wales in 2020-21, including what recent discussions have been held with the regulator on its required levels of funding



and whether funding is sufficient to complete the task of sector qualification reviews in good time.

2.15 *Welsh-medium education*

- Details of budget provision to support the Welsh Government's Welsh-medium education strategy and local authorities' Welsh in Education Strategic Plans (WESPs).
- An outline of how the Welsh in Education budget Action support the Welsh Government's Welsh Language Strategy and its target of one million Welsh speakers by 2050.
- Confirmation of whether the funding for professional learning activity to support the teaching and learning of Welsh is continuing in 2020-21 and what the intended outcomes from this expenditure are.

2.16 *Youth work*

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

- A breakdown of the £10 million referred to in the [media release of 24 June 2019](#).
- Clarification of which budget lines the additional allocations have gone into, including a breakdown of what funding constituted the existing allocation and what is new.
- Whether the funding announced on 24 June 2019 will be recurring annually.
- Allocations for the following grants, and information about the longer-term intention for them:
 - 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.
- An outline of how young people have been involved in informing the decisions about the allocations for youth work.



2.17 Childcare offer

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

2.18 Early Years / Foundation Phase

- Details of how the Welsh Government ensures it has an overview of the funding rates for the 10 hours early years Foundation Phase offer across Wales for the non-maintained sector and in comparison to the maintained sector.
- An update on the work being undertaken to review the relationship between funding rates for childcare for three and four year olds (under the Childcare offer) and early years education (the Foundation Phase) for three and four year olds and an update on the pilot in Flintshire.
- An explanation of how funding for the Foundation Phase in the Education Improvement Grant (EIG) relates to other funding for early years education, and whether their purposes are distinct from one another.

2.19 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, broken down by:
 - A summary of expenditure and number of projects undertaken / completed within Band A.
 - The latest position regarding Band B of the programme.
- An update regarding the use of the Mutual Investment Model for Band B and the impact this will have on the money available.

2.20 Further education, Sixth Forms and Adult Community Learning

- Details of any funding to be provided to further education institutions to enable them to prepare for curriculum reform.
- Details of the call on the 2020-21 post-16 education action, to meet the 2019/20 academic year funding commitments for Sixth Forms and further education institutions.
- Details of any capital funding to further education institutions and any restrictions placed on the capital funding by Welsh Government.



- Details of any hypothecated or un-hypothecated allocations to further education institutions beyond their core-allocation, in particular details of any amounts intended to support mental health provision, additional learning needs, teaching pay, and pensions.
- Details regarding the post-16 specialist placements BEL, including its purpose.
- Expected amount of funding that further education institutions will receive from work-based learning and employability provision/contracts.
- Details of the complete 2019/20 allocations to further education colleges, to include the amounts of all eight components of the allocation (i.e. full-time, part-time, part-time allowance, deprivation, sparsity and welsh medium allowances, maintenance allowance and the Adult Learning Wales adjustment).
- A step-by-step explanation of how the full-time and part-time allocations for further education institutions are now calculated, including the demographic, curriculum and learner data the calculations are based on.
- A copy of the most recent Further Education Financial Forecast Planning Assumptions guidance issued to FEIs.

We understand that the final 2020/21 allocations for Sixth Forms, further education and adult community learning are not made until later in the financial year. Like our approach this year, we will follow up on these matters when the 2020/21 academic year allocations are decided.

2.21 Higher education & post-16 learner support, including student loans resourcing

- Details of the HEFCW allocation, including details of any hypothecated funding to be allocated to HEFCW, such as for Global Wales II, research, pensions (if any) etc. (degree apprenticeships are addressed below).
- Details of any capital funding to be made available to HEFCW, including any restrictions to be placed on it by Welsh Government.
- A table showing the 2019-20 outturn, and forecast expenditure over the following four years on:
 - Full-time undergraduate (FTUG) Tuition Fee Grant (broken down by students in Wales and elsewhere in the UK)



- FTUG Maintenance Grant (broken down by students in Wales and elsewhere in the UK)
- Part-time undergraduate (PTUG) Maintenance Grant (broken down by students in Wales and elsewhere in the UK)
- Masters Finance grant element (broken down by students in Wales and elsewhere in the UK)
- Education Maintenance Allowance (EMA)
- Welsh Government Learning Grant (Further Education) (WGLG(FE))
- Targeted grants and allowances (by students in Wales and elsewhere in the UK)
- Any other funding items within the Post-16 learner support action (the student loan resource provision is addressed below).
- Student loans provision broken down by:
 - DEL and AME for both revenue and capital, all split by fiscal and non-fiscal amounts, including a commentary explaining any movements compared to the First Supplementary 2019-20 budget.
- Forecast student loans provision broken down by amounts for:
 - FTUG tuition fee and maintenance loan outlay and Resource Accounting and Budgeting (RAB) charge
 - PTUG tuition fee and maintenance loan outlay and RAB charge
 - Masters Finance loan element outlay and RAB charge
 - Doctoral loan outlay and RAB charge
- An outline of any impact the ONS December 2018 decision on the treatment of student loans in the public sector finances has had on Wales / Welsh Government policy.
- Details of any 2020-21 allocation intended for the delivery of degree apprenticeships; and details of the funding that would be required to teach-out degree apprentices should the pilot not continue beyond the initial £20 million commitment.

2.22 Other post-16 education & Welsh in education

- Details of post-16 specialist placements funding and its use, if not covered elsewhere.



- Details of Personal Learning Account pilot funding.
- Details regarding funding for offender learning, and details of the provision this funds.
- Details of the Welsh in Education budget including any allocation for the Coleg Cenedlaethol.
- The original Welsh in Education BEL in the 2019-20 Final Budget was £29.361 million. This BEL moved into the International Relations and Welsh Language (IRWL) MEG in January 2019. In June 2019 the First Supplementary Budget shows that the Action moved back to the Education MEG, but only £14.325 million transferred out of the IRWL MEG into the Welsh in Education BEL within the Education MEG – the balance moving as a transfer within the IRWL MEG into the Welsh Language BEL:
 - Which activities associated with the funding transfers have moved from the IRWL MEG into the Education MEG, and which have remained within the IRWL MEG?
 - What was the rationale for splitting the funding previously contained in the Welsh in Education BEL between two MEGs?

2.23 Science and business innovation

- Details regarding the support for:
 - the Chief Scientific Advisor and their office, including any additional funding made available for strategic initiatives/implementing science policy
 - research and innovation activity, in particular businesses innovation activity
 - the Life sciences.

