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Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref LF/LA/0270/12

Christine Chapman, AM  
Chair  
Children and Young People Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

21 August 2012

*Dear Chris,*

**School Standards and Organisation (Wales) Bill – supplementary evidence following 19 July 2012 meeting**

Thank you for your letter of 24 July following my appearance before the Children and Young People Committee on 19 July.

Annex 1 sets out the information on costs requested by the Committee. As I stated, there are no changes of significance to the costs estimates as set out in the EM, although the committee may wish to note a small downward revision in relation to the projected cost to local authorities of surveying demand for Welsh-medium provision.

I also agreed to provide the Committee with additional details on the scrutiny procedure that would apply to further proposals made by the Welsh Ministers to rationalise school places under section 60 in accordance with section 63(1)(c):

The Welsh Ministers' use of their power to make further proposals under s63(1)(c) would be an extremely rare event which would only occur where the Welsh Ministers had previously:

- 1) directed a local authority or governing body to make proposals;
- 2) then decided to make their own proposals because the outcome of that direction had not been to their satisfaction; and
- 3) caused a local inquiry to be held to consider their own proposals.

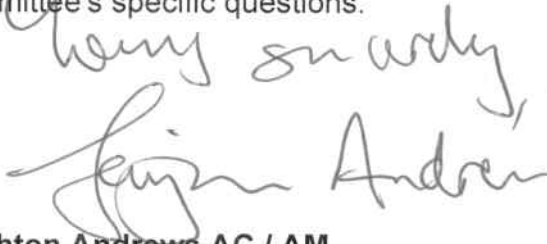
Therefore, the process leading up to the publication of further proposals under s63(1)(c) is likely to have been a very lengthy one. It consequently seems appropriate that if the Welsh Ministers, after considering the outcome of the local inquiry, decide that further proposals

are required in order to address excessive provision (or perhaps more importantly in this context, insufficient provision) that that process can be concluded as quickly as possible.

Nevertheless, these proposals would still need to be published (see s60), there would still be the opportunity for objections to be submitted (see s61), and the Welsh Ministers, acting in accordance with the School Organisation Code, would still have to have regard to those objections before determining to adopt or not adopt the proposals.

I am satisfied that in such circumstances the objection and adoption process, together with the general duty of the Welsh Ministers to act reasonably in the exercise of their functions, would be sufficient to ensure that the interests of learners and others were protected.

I trust that the information contained in the annexe attached is helpful and responds to the Committee's specific questions.

A handwritten signature in black ink, appearing to read 'Leighton Andrews', written over a faint, larger signature that also appears to be 'Leighton Andrews'. The signature is written in a cursive style.

**Leighton Andrews AC / AM**  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills

## **SCHOOL STANDARDS AND ORGANISATION (WALES) BILL**

### **CYPC supplementary evidence request: 19 July 2012 meeting**

#### **School Improvement**

***What are the detailed working assumptions behind the £1.7 Million (£0.6 Million for awareness raising with schools and local authorities; £0.1M for the collation of best practice and £1.0 Million associated with local authority support to schools) of one off costs in relation to consolidating and where necessary reforming existing provisions under school improvement? (Reference 8.19; 8.24 and 8.25 of the EM)***

The analysis of costs to implement one priority policy area gives one-off development and implementation costs of £1.7 million, over a 5 year period. These projected costs relating to the school improvement guidance include the collation and quality assurance of best practice at £108,000, local authority support costs at £1,000,000, awareness raising costs at £530,000 and evaluation costs at £45,000. The analysis is based upon actual costs to develop and implement the School Effectiveness Framework.

Such costs are based on the development and implementation of **one significant priority policy area**. Actual costs will depend on the number and scope/extent of school improvement strategies under development at a given time. This will depend upon urgent school improvement priorities but such guidance may very well be qualitative in nature and therefore of minimal/no financial cost.

***Will the School Effectiveness Grant be increased by £1.7 Million to fund the one off costs associated with school improvement or will this have to be met from existing provision? (Reference 8.25 of the EM)***

The £1.7 million is an estimate, by way of example, based on work done around the SEF. New guidance on other issues may not follow the same pattern but the principle exists that if significant implementation costs are placed on schools or local authorities then these are funded by the Welsh Government.

It does not follow that such costs will be realised in practice: if for example, the guidance related to improvements in literacy or numeracy, then these already form the core business of schools and LAs and the guidance would be specifying better ways to implement which may well be more cost effective and so incur no further costs.

***How have the on-going costs of up to £2.5 Million over five years in relation to school improvement implementation support costs been calculated and how they will be funded? (Reference 8.26 of the EM)***

Projected ongoing costs at £2.5 million are based on an estimate of funding to support additional duties of the local authority School Improvement Officer/System Leader, based on one LA Officer working within their school cluster. This cost is based on LA grant costs to support the SEF Scheme and estimated System Leader costs to support targeted intervention schemes for literacy and numeracy.

Initial support costs were estimated at £1,000,000. Ongoing support costs are based on an allocation of £500,000 per annum (for up to five years) to reflect a reduction in LA support as the policy becomes embedded.

The Welsh Government would provide additional funding to support transitional implementation costs, where necessary, through the Revenue Support Grant. However, as outlined above, the actual implementation costs for schools and LAs may be negligible if the guidance simply focuses on more effective ways to deliver core business.

***When will the costs associated with follow on training for schools be known and made available? (Reference 8.26 of the EM)***

Actual costs would need to be calculated on the basis of the actual cases, therefore it is not possible to quantify actual costs for follow on training for schools at present as the level of training required will depend on the complexity of future school improvement strategies. Projected school-based training and resource costs to support one priority policy area at £430,750 have been based upon the cost for one practitioner per school to attend a one day training session (x 1,723 schools) at a cost of circa £250 per teacher. This assumes the implementation of a cascade training model.

***When will the costs associated with future priorities of the statutory school framework be known and made available? (Reference 8.27 of the EM)***

Work is already underway to develop a body of case studies, materials and resources on the latest evidence and research about effective practice and establish a methodology for collecting and disseminating best practice. The High Quality Teaching Resources will be published online and will be launched on Learning Wales in September 2012. Once this work is complete, we will consider the areas where evidence shows that statutory improvement guidance might be most effective and undertake a detailed impact assessment to support its introduction.

As indicated above, the costs and benefits for any specific statutory guidance will be assessed on introduction. We anticipate such guidance may very well be qualitative in nature and therefore of minimal/no financial cost.

## **Local Determination Panels (LDPs)**

***The EM details that minimal costs (up to a maximum of £5,000) are associated with the operation of an LDP but that costs could vary based on the complexities of proposals. What are the detailed working assumptions behind this calculation and what if any reference is made to the provision of professional/legal advice? (Reference 8.56 of the EM)***

The projected costs would allow for provision of some legal advice where needed and are based on the number of meetings it is expected that local determination panels will need to hold in order to reach a decision – two or three in most instances – and the costs of holding such meetings, including room hire, refreshments, and expenses. Information provided by local authorities suggests that meeting-related costs should not be expected to exceed £2,500 but would be considerably less in most cases (given that only 6 individuals are expected to be involved in these meetings and local authorities would often be able to provide a meeting room free of charge). Allowances have also been made for additional clerking and administrative costs – an estimated maximum of around 10 working days in total. This would include the receipt and distribution of papers, the organisation of meetings and the drafting and issue of the decision letter. We do not expect these costs to exceed £2,500, but again we would expect them to be considerably less in most cases.

Those questioning the estimates appear to have done so because they have misunderstood the nature of the local determination panel process. The local determination panel will not conduct expensive, tribunal style hearings involving legal representation and submissions. The School Organisation Code will require that the decision is based solely on the written evidence. Legal advice, if it is required at all, would have to be provided by the local authority. How they did so would be a matter for them.

It might also be useful to note that in their evidence to the Committee, the Welsh Local Government Association raised no specific concerns in relation to the estimated costs of local determination panels or the accuracy of the estimate of those costs.

## **Welsh in Education Strategic Plans (WESPs)**

**What are the detailed working assumptions behind the on-going revenue costs associated with WESPs, namely £0.5 Million of administration costs and £0.1 Million for administering and analysing surveys? (Reference 8.66; 8.67 and 8.72 of the EM)**

The assumed on-going revenue costs outlined are estimated for both the Welsh Government and for local authorities.

### **Welsh Government estimated costs**

#### Administration costs

The administration costs for the Welsh Government are associated with administration of the WESP process. Each local authority will be required to submit their WESP for approval and monitoring. This will involve the deployment of staff to oversee the submission of WESPs and to contribute to the approval and monitoring process. The Welsh Government officials will:

- assess each WESP;
- provide individual feedback to local authorities;
- discuss the feedback with local authority officials; and
- receive and respond to updates on progress.

In addition, advice will need to be provided to the Minister.

On the basis of the work carried out for the WESPs as currently submitted by LAs on a voluntary basis, 3 full time equivalent (FTE) staff and associated travel costs are needed which amounts to £116,000. This total is based on administration costs and existing staff time, amounting to the equivalent of 3 FTE staff at Band E (3 x £38,000), and travel costs to meet with local authorities amounting to approximately £2,000. These annual recurring average costs are already funded from Welsh Government Delegated Running Costs

**Total: £116,000**

### **Local authority estimated costs**

#### Costs involved in the preparation, submission and implementation of WESPs

For local authorities, officer time will be needed to prepare, submit and respond to feedback. There will also be time required to meet with Welsh Government officials and to convene and support the monitoring mechanism for the implementation of WESPs in their local authority area. The cost of this activity is based on likely administration costs and staff time, amounting to equivalent of 2 FTE on average for a period of only 1-2 months per year.

**Total: maximum estimated cost £14,000 per local authority**

**Total: maximum estimated cost £308,000 across local authorities.**

#### Publication of WESPs

There would be a minimal cost to publish WESPs on local authorities' own websites and provide hard copies on request. Possible typesetting and printing costs could be around £2,000 for 1,500 copies.

**Total: maximum estimated cost £2,000 per local authority**

**Total: maximum estimated cost £44,000 across local authorities.**

### Conducting surveys to measure the demand for Welsh-medium education among parents

Local authorities will also incur costs for undertaking surveys to measure demand on a regular basis. The average costs of administering and analysing surveys is estimated at a maximum of £15,000 each. The guidelines recommend undertaking surveys once every 3 years. Therefore, the likely maximum average cost for conducting such surveys is estimated at £5,000 per annum, per local authority. Across all local authorities, this would amount to £110,000 per annum. However, it should be borne in mind that 15 local authorities have been active in measuring the demand regularly and are already funding these processes themselves. Also, under the circumstances outlined in regulations, four local authorities would not be required to measure the demand for Welsh-medium education. The overall cost would more likely, therefore, to be around £5,000 per annum for 18 local authorities, thus slightly lower than the £110,000 estimated in the EM.

**Total: maximum estimated cost £5,000 per local authority**

**Total: maximum estimated cost £90,000 for 18 local authorities.**

### **What are the detailed working assumptions behind the £0.1 Million of one off costs associated with the administration and legal costs of WESPs? (Reference 8.75 of the EM)**

The additional associated one-off (transitional) administration and legal costs comprise the estimated Welsh Government cost for the preparation of regulations and statutory guidance. These are calculated at approximately £110,000 (based on 2 FTE staff at Band F and associated travel costs). These officers will need to allocate their time to the drafting of regulations and statutory guidance. As there will be a consultation on the regulations, it will be necessary to allocate staff time to undertake the consultation and collate and analyse the results and prepare reports. The timeline for incurring these additional (transitional) costs for the Welsh Government is likely to be January 2013 – December 2013.

### **When will any potential local authority capital implications resulting from the implementation of WESPs as part of their school planning process be known and how will they be funded? (Reference 8.77 of the EM)**

This is an on-going process as local authorities continue to discharge their responsibilities to provide sufficiency of school places and consider the need for Welsh-medium provision within that configuration. Capital funding implications have already become apparent in the current voluntary WESPs. These plans have included information from local authorities about their bids for 21<sup>st</sup> Century Schools Funding. Also, local authorities' bids for 21<sup>st</sup> Century Schools Funding need to consider the needs of Welsh-medium education. Feedback on these bids has included comments arising from the appraisal of the current non-statutory WESPs. Meetings are currently being held with local authorities to discuss the next stage of the 21<sup>st</sup> Century Schools Programme and in particular Welsh-Medium was one of the three key policy areas to which priority was given and on which authorities are being re-tested, along with Transformation and School Reorganisation.

The first wave of investment has been announced which covers a period of seven years. A number of proposals for the provision of Welsh-medium school places will be supported in this way. However, there is limited flexibility and capital budget capacity to address any further Welsh-medium capital proposals for that period that may arise as a result of the WESPs. Officials will continue to work with

colleagues in local authorities as the 21st Century Schools Programme moves forward.

Those local authorities which are either taking steps to measure demand, or will be required to measure demand may, in the future, need to increase Welsh-medium school places. Local authorities' own capital resources (including allocations from the General Capital Fund) may well be constrained during this period as they will be prioritising their capital resources to match fund their first wave of projects (match funding will be a mixture of General Capital Fund/capital receipts/Prudential borrowing). However, a number of local authorities have adopted creative methods of providing additional Welsh-medium school places including setting up starter classes in English-medium schools.



**Will any additional funding be allocated to deliver any potential increase in demand in Welsh medium teachers following the statutory duty to produce a WESP?**

The Welsh Government has developed a Teacher Planning and Supply Model (TPSM) for Wales which is used to inform decisions on Initial Teacher training (ITT) intake targets and projects the number of newly qualified teachers (NQT) required to meet the demand for new teachers in maintained schools in Wales. These annual intake targets for recruiting students onto primary and secondary school level courses in Wales are notified to the Higher Education Funding Council for Wales (HEFCW) which in turn allocates intake targets to HE ITT providers in Wales by phase of study and subject level. In recent years, there have been reductions in targets because of an over-supply of teachers. Although there are no specific intake targets for Welsh-medium provision, HEFCW monitors various aspects of the make up of the ITT student population, including the numbers of students receiving training to teach through the medium of Welsh. In addition, HEFCW works with the Coleg Cymraeg Cenedlaethol and providers, as appropriate, in considering the maintenance and viability of Welsh-medium provision in ITT and its further development.

The supply of NQTs being recruited by Welsh-medium schools currently meets demand. The number of vacancies within Welsh-medium schools is monitored by the Welsh in Education Strategic Plans (WESPs) and we do not envisage the need for extra teacher training places. The Welsh Government's Knowledge and Statistical Service has commissioned a project to look at the quality of the TPSM's forecasting, and any possibilities of making additional use of it, such as subject simulations including the possibility of forecasting the number of Welsh-medium teachers likely to be required in the future.

The Welsh-Medium Improvement Scheme (WMIS) is aimed at secondary subject postgraduate ITT students currently undertaking part or all of their teacher training through the medium of Welsh. The programme is designed to increase the linguistic skills and confidence of those already enrolled on ITT courses with a view to enhancing and developing their skills so that they go on to become Welsh-medium teachers. The programme is supported by a separate grant stream of £280k funded from the Welsh Government's Teacher Development and Support Budget Expenditure Line.

The implementation of WESPs will be supported by the use of the Welsh in Education Grant which currently stands at around £5.6 million. In addition, the Sabbaticals Scheme provides opportunities for practitioners to improve their Welsh-language skills and receive methodological training to teach through the medium of Welsh or deliver Welsh Second Language as part of the national curriculum.

## **Free school breakfasts**

**What will the Minister be doing ahead of the transfer of free school breakfast funding into the RSG to assist local authorities to achieve maximum take up to ensure that following the transfer into the RSG no local authority raises concerns of lack of funding in the event of increased take up rates?**

The primary school free breakfast initiative was first introduced in September 2004 and was gradually rolled out across local authorities, with all schools being formally invited to participate in the scheme by January 2007. Participation is optional at both school and pupil level and the number of additional schools signing up each year has gradually decreased since 2007-08 given that the vast majority of schools that want to participate have already signed up. The Welsh Government has always made clear to schools the benefits of participating in the initiative and each local authority has appointed a free breakfast coordinator to manage the operation of the initiative locally.

The budget available to support the delivery of the free breakfast initiative was £10.7m for 2011-12 and for 2012-13 has increased to £12.7m. At the point of transfer to the RSG it will have increased to £14.7m, providing for an expansion in the take-up at a national level. Local Authorities will be notified of their notional allocation of the funding as part of the RSG well in advance of the start of the financial year, therefore enabling them to plan more effectively for 2013-14 and beyond.

In finalising the arrangements for the transfer to RSG, the Distribution Sub Group (involving Welsh Government and Local Government officials) have given consideration to the ongoing funding required to be transferred into the settlement for 2013-14 and future years along with the distribution arrangements. It is accepted practice by local authorities and the Welsh Government that in some instances moving to a standardised formula for allocating funding to RSG some local authorities may have more funding than they currently receive via a specific grant and others less.

The RSG provides local authorities with flexibility to determine how they utilise their funding in order to best meet their local needs and discharge their statutory duties.

## **Flexible charging of meals**

**Whilst the Committee accepts that it is difficult to accurately assess the initial set up costs of creating a flexible charging for school meals scheme, can you provide a range of these costs and how they will be funded?**

**The EM states that the full impact of flexible charging schemes would need to be assessed in the light of specific proposals, do you anticipate any additional costs to be borne by local authorities and if so how will they be funded?**

Please note the following response deals with both these questions.

The use of the flexible charging power will be optional. It will be for individual local authorities or governing bodies of maintained schools which have a delegated budget to determine whether they want to use this power, and if so how they wish to use it. The main aim of flexible charging is to help local authorities and governing bodies increase the take up of school meals by varying the price and promoting these changes to attract customers without compromising quality or value for money.

As the power will enable local authorities and governing bodies to be innovative in the way that they charge for school meals, approaches taken may vary considerably and, depending on how they are targeted, may achieve different results. Initial set up costs may also vary significantly accordingly.

For example, a local authority's approach towards flexible charging might include:

- discounting the cost of meals for a limited period for new intake such as Year 7 pupils, to get them into the dining room from the start of term. This could be for a day, a week or half a term;
- the cost of special offers such as three items for the price of two or themed days to introduce new food items; and
- discounting meals for large or low income families such as £2 per day for first child and £1.50 per day for siblings.

Examples of costs arising from flexible charging might include:

- Covering the cost of offering the sales promotion;
- Increased sales may mean that the number of staff needs to be increased; and
- There could be increased administration costs, depending on how flexible charging is used. For example, the cost of additional data collection, so that the impact of the sales promotion can be measured.

Given the potential for wide variations in approaches taken by local authorities or governing bodies and their set up costs, any range of illustrative costs provided would be merely speculative and as such unlikely to assist committee members.

Responses to the consultation on the proposal to introduce flexible charging indicated that local authority catering providers recognised that discounted meals and special offers were useful sales promotion methods, as short term investment for longer term gain. The principle of changing your prices or offering other incentives to attract new customers is not new, and is used in every sector of business.

Increasing the take up of school meals by the use of flexible charging could make a positive contribution towards supporting specific local and national issues such as health, wellbeing and child poverty.

It would be for local authorities or governing bodies with delegated budgets to assess the implications of flexible charging from discounted meals and/or special offers, and then to fund these sales promotions from their budgets based on their contribution to these broader agendas.

The Welsh Government will provide local authorities and governing bodies with guidance in relation to flexible charging which will include information on issues to be considered before starting up, such as costs.

## General

**Within the EM there are a large number of incidental costs which are either detailed as 'modest' or 'unquantifiable at this stage'. Do you have an estimate of the total of these costs and how they will be funded?**

In general, where costs are described as modest these are such costs as could readily be absorbed by the body incurring them without harm to its delivery of objectives or financial position. Whilst they do not lend themselves to totalling, I am nonetheless satisfied that their cumulative effect will be similarly modest. Similar considerations arise where costs are not yet quantified due to being scalable according to the resource available (e.g. School Improvement Guidance) and/or the resource-holder's assessment of the benefits of committing resource (e.g. flexible charging). I explore these points in relation to two pertinent areas in more detail below.

### *School Improvement*

As specified within the EM, it is not possible to identify specific costs at present as work to develop a methodology to collate and disseminate best practice is currently ongoing. Primarily, it is intended that statutory school improvement guidance will simply specify ways that teachers, schools or others could undertake their existing roles more effectively rather than creating additional bureaucratic burdens for schools/practitioners. We therefore anticipate that in most instances, there will be no additional administrative compliance or other costs associated with the school improvement guidance.

### *Parents' Meetings*

Given the variation in size and location of schools throughout Wales, it would be difficult and perhaps misleading to come to a single estimate of potential costs.

For example, differences in travel costs and time spent for both parents and governors is likely to be marked between rural and urban schools (such costs for attending parents' meetings at a rural school are likely to be higher than a suburban school, where most of the parents and governors will probably live in the vicinity of the school).

Similarly, the cost to parents in calling a meeting will vary according to the size of school, and the method used in collecting signatures. This is because it will be easier to reach the requisite number of signatures in very small schools, and there may be varying costs depending upon whether a petition is in paper or electronic format.

Costs to the governing body in informing parents about a meeting will also vary depending on the size of the school, as fewer pupils will mean fewer parents to inform.

Information from the local authorities who provide clerking services to governing bodies is that the extra cost of such services is likely to be in the vicinity of £150 per meeting. Should a school have 3 meetings in a year rather than the one annual parents' meeting, then the extra clerking cost for covering the two additional meetings is likely to be in the region of £300.

Overall, any increase in costs is likely to be modest, and should be weighed against the potential benefits of the reforms.

Of course, it may be that no meetings are requested in some schools, and therefore the cost of holding the annual general meeting every other year is saved.

**In their evidence the WLGA stated that they anticipated that all additional financial burdens placed on local authorities of implementing the Bill would be borne by the Welsh Government. Can you confirm that this will be the case?**

Overall, I would expect the fiscal impact on local authorities of the bill provisions to be low and that local authorities would meet this from within their own resources including, in cases such as that relating to school organisation, by redirection of savings realised through the streamlining of related processes. Conversely, where the burdens could be substantial (as in the case of the hypothetical single major school improvement strategy costed within the EM and discussed above), I would anticipate providing additional funding. I expand on these points below.

#### *Intervention in Schools Causing Concern*

These provisions do not impose significant additional burdens on local authorities as they relate to their existing powers - and indeed duties - to intervene. Broadening the criteria to enable warning notices to be issued earlier should lead to cost savings in the longer term as, whilst there may be an increase in the number of early interventions, we would expect a corresponding decrease in the requirement for more intensive and costlier interventions later on.

#### *School Improvement*

The detailed cost analysis for the school improvement provisions included an estimated £1 million allocation to support initial local authority training and resource costs, with a further £2.5 million allocation to fund local authority costs to provide ongoing implementation support to schools (over a 3-5 year period). These costs are associated with the implementation of one priority policy area. A detailed assessment of additional resource implications will be undertaken as part of the wider impact assessment of future school improvement priorities. If appropriate, additional administrative burdens impacting upon local authorities will be supported by enhanced funding from the Welsh Government.

#### *School Organisation - Local Determination Panels (LDPs)*

The costs of operating local determination panels would be borne by local authorities, but as these costs are expected to be exceeded by the savings made as a result of having a more streamlined process, these costs would not constitute an additional financial burden.

#### *WESPS*

All 22 local authorities are already undertaking the preparation of WESPS on a voluntary basis. The staff resource and cost associated with publishing and disseminating the plans is already being borne by local authorities and, in discussion with DfES officials, local authorities have indicated that this is a reasonable undertaking. Therefore, this would not constitute an additional financial burden. The majority of local authorities are already surveying demand for Welsh-medium provision and the fiscal burden on those which do not, at £5k per annum, is minimal.

#### *Parents' Meetings*

Whilst the extra costs of clerking services for additional meetings could fall to the local authority as noted above I would expect such costs to be both minimal (not exceeding £300 per school per annum) and exceptional.

#### *Flexible charging*

Exercise of the flexible charging power will not be mandatory but optional, as stated previously. It will be for the delegated budget holder to determine whether

and how they want to use this power; in doing so, they would need to identify appropriate funds.

*School-based counselling*

There will be no additional financial burden to local authorities. The budget for school-based counselling would be transferred to RSG. There would be some saving to local authorities as some of the administrative requirements related to the specific grant would no longer exist.

*Free breakfast initiative*

The budget for the free breakfast initiative would be transferred to RSG at a point when it has been increased by £2m allowing for expansion of the scheme. There would also be some savings as some of the administration requirements related to the specific grant would no longer exist.