

Kirsty Williams AM
Cabinet Secretary for Education
National Assembly for Wales
Cardiff Bay

1 August 2016

Budget Scrutiny

Dear Cabinet Secretary

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

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

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

- The Committee requests commentary on each of the Actions within the Education and Skills Main Expenditure Group (MEG), including an analysis and explanation of significant changes since the 2016–17 First Supplementary Budget (June 2016).
- The Committee also requests a breakdown of the 2017–18 and indicative 2018–19 (if available) Education MEG by Spending Programme Area, Action and Budget Expenditure Line (BEL), with 2016–17 First Supplementary Budget allocations, forecast 2016–17 outturns, and 2015–16 final outturns all included.
- The Committee requests that any BELs which had money transferred out at the First Supplementary Budget, due to realignment with the new government portfolios, are highlighted and totals for years prior to 2017–18 adjusted to enable comparisons with the 2017–18 draft allocation.

Education priorities

- Information on how the Education MEG aligns with the ten relevant priorities agreed between the Cabinet Secretary for Education and the First Minister and how budgets



are accordingly prioritised (the nine education priorities plus the ‘Common Priority’ regarding the Diamond Review).

- An update on negotiations with the Cabinet Secretary for Finance and Local Government to ensure the Department has the resources to deliver on the priorities (referred to in CYPE Committee, 13 July 2016).
- Whether there has been any further prioritisation or differentiation between the ten priorities themselves.
- What assessment has been made of the value for money and affordability of each priority, and how will their cost-effectiveness be monitored.
- Details of any opportunity cost exercises undertaken in respect of the priorities.

Budget monitoring

- What processes are in place for monitoring budgets throughout the year, identifying potential deficits and surpluses, and taking remedial action to get the budget back on track or allocating additional funds to cover any shortfalls.

Preventative spending

As in the Fourth Assembly, the Finance Committee has recommended that Committees focus on the Welsh Government’s approach to preventative spending and how this is reflected in the allocation of resources. The definition of preventative spending for this purpose is:

Spending which focuses on preventing problems and eases future demand on services by intervening early.

With this in mind, the Committee would appreciate information on:

- The proportion of the Education MEG that is preventative spending and details of specific policies and programmes that are intended to be preventative.
- Any assessment that has been made of the outcome of preventative spending in previous years and how this has informed budget allocations for 2017–18.

Impact of Britain leaving the EU

- Implications of the EU referendum result 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.

Costs of legislation

- An update on the costs to the Education MEG of implementing legislation passed in the Fourth Assembly and the financial implications for the 2017–18 budget.



- Budget provision for the forthcoming Additional Learning Needs and Education Tribunal Bill and potential legislation on rural schools and surplus places.
- Information on the impact of any relevant UK Parliament legislation.

Children's rights and other cross-cutting considerations

The Committee requests information on how children's rights, equalities, sustainability and the Welsh language have been considered in budget allocations, specifically:

- A copy of the Child Rights Impact Assessment (CRIA) undertaken by the Department to inform the allocations in the draft Education MEG for 2017–18. If a specific CRIA has not been undertaken, the reasons for this and a copy of any alternative integrated impact assessment.
- What account has been taken of the *Wellbeing of Future Generations (Wales) Act 2015* in making allocations to education budgets.
- The consideration given to ethnic minority and gypsy traveller learner interests, including their academic achievement (stakeholders have raised this issue in the context of the Education Improvement Grant in the past).
- Details of any changes made to initial allocations within the Education MEG in respect of children's rights, equalities, sustainability and the Welsh language as a result of impact assessments, or where there has been a direct influence on the setting of budgets.

Specific areas

The Committee requests information on the following specific areas, if they are not already covered in the commentary on each Action.

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 channelled; whether it will be money contained within the Education MEG or if it is general funding for school budgets in the Revenue Support Grant within the Local Government MEG.
- How much of the £100 million is allocated in 2017–18 and future years' indicative budgets (if available).
- The uses of the additional funding; whether targeted initiatives or general un-hypothecated funding for schools, allocated via local authorities.



Infant Class sizes

- An update on the scoping work that officials are carrying out regarding options for taking forward the priority to reduce infant class sizes; any costing and value for money exercises undertaken.
- Information on any knock-on effect on other parts of the budget arising from this policy, for example workforce and school infrastructure requirements.

Reducing the impact of deprivation and poverty

The Finance Committee has recommended that Committees focus on policies to reduce poverty as part of budget scrutiny. The Committee therefore requests information on the following:

- How the Education MEG reflects the Welsh Government's long-term commitment to break the cycle of deprivation and poverty and its impact on educational achievement.
- Evaluation of the affordability, value for money and impact of the Pupil Deprivation Grant (PDG), with particular reference to looked after and adopted children;
- How, if at all, early years provision has been prioritised in terms of maximising impact; what assessment has been made of the benefits of extending the PDG to under 5 year olds from 2015-16.
- An update on plans to expand the PDG and the financial implications (one of the priorities agreed with the First Minister and referred to in CYPE Committee, 13 July 2016).

Schools Challenge Cymru

- An update on the programme, its timescale and future budget allocations.

Surplus places and small/rural schools

- Information on any funding allocations to finance the review of surplus places, which has an emphasis on rural schools, and any policy initiatives which may follow.

Education workforce

- Details of budgets to finance the Welsh Government's response to the Furlong review of initial teacher training and the New Deal for the education workforce.
- An update on work to develop a workforce and leadership strategy (announced in Plenary 12 July 2016) and the proposed Welsh Academy of Leadership; what arrangements are in place for funding these.



Curriculum for Wales

- An update on timescales for introducing the new curriculum and the funding to support this.
- Information on the sustainability of funding for curriculum reform given it is a long-term objective.

Education Improvement Grant (EIG)

- Information on budget provision in 2017–18 and comparison with previous years.
- Evaluation of the impact of amalgamating separate grants into one single grant in 2015–16, and the measures taken to ensure that all objectives of the previous individual grants are served by local authorities' use of the EIG.

Qualified for Life

- An update on the status of the education improvement plan for 2014–2020, *Qualified for Life*, and how it is reflected in the Education MEG.

Qualifications

- Any ongoing financial implications of the implementation of the Review of Qualifications for 14 to 19 year olds.
- Allocations to Qualifications Wales and an update on the work of the sponsorship branch within the Welsh Government.

Regional consortia

- Details of how much Welsh Government funding is channelled via the regional consortia and any assessment of their impact and value for money.

Capital funding for school and college infrastructure

- Information on budget provision for 21st Century Schools and progress of the programme to date.
- An explanation of what is financed by the 'General Support' BEL within the 'Estates and IT Provision' Action.

Welsh-medium education

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

(Note that the Culture, Welsh Language and Communications Committee will be scrutinising the draft budget's implications for the Welsh language more generally.)



Additional Learning Needs

- The financial implications of the proposed legislation to reform the Special Educational Needs (SEN) framework.
- Whether and/or how the Deloitte study contained in the Regulatory Impact Assessment, published alongside the Draft Additional Learning Needs and Education Tribunal (Wales) Bill, influences budget provision for 2017–18 and beyond.
- 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.

Further and higher education

- Details on 2017–18 allocations and an updated assessment of the impact reductions in colleges' budgets have had in recent years and the effect on learners.
- Budget provision for HEFCW to allocate to the higher education sector and an updated assessment of universities' income.
- Funding for Welsh-medium provision, including the Coleg Cymraeg Cenedlaethol.
- Information on any funding for responding to the Hazelkorn review.
- Costs in 2017–18 of continuing transition to the revised HE regulatory arrangements, as a result of the *Higher Education (Wales) Act 2015*.

Student support

- A breakdown for 2015–16 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.
- The latest modelling of the costs of the Tuition Fee Grant and an assessment of its affordability, value for money and opportunity cost. In addition:
 - The amount in tuition fee grants paid in respect of students attending Welsh institutions and institutions outside Wales respectively in previous years.
 - Updated information on student flows between Wales and the rest of the UK.
 - Estimated costs of tuition fee grants for 2017–18 and beyond.
- Information on any transfers between BELs regarding administration or payment of the Tuition Fee Grant.

Careers Wales

- Information on the budget allocation to Careers Wales; commentary on how this compares to previous years and implications for 2017–18 and beyond.



Youth work

- Details of direct Welsh Government grants to support youth work.
- What assessment has been made as to whether local authority allocations are sufficient to implement the requirements of the National Youth Work Strategy for Wales 2014 to 2018 and the Wales Charter for Youth Work.
- What assessment has been made of the impact of Britain leaving the EU on youth work funding and any implications for future Welsh Government funding in this area.

Responding to Estyn thematic reports

- What assessments are made of the financial implications of responding to Estyn thematic reports and implementing any recommendations, and how these are accounted for in budget allocations; for example the *Raising the attainment, achievement and aspiration of children who are looked after* report.

The Committee would like to invite you to attend its meeting on **10 November** between 09.30 and 11.00 for a session focussed on scrutiny of the draft budget. You are, of course, welcome to bring the Minister for Lifelong Learning and Welsh Language to the meeting to discuss matters for which he is responsible, if you believe that would be appropriate.

To assist the Committee in its work, I would be grateful if you could provide the information requested in this letter by **26 October**.

With many thanks for assisting us in our scrutiny work.

Regards



Lynne Neagle AC / AM
Cadeirydd / Chair

