



Ein cyf/Our ref: MA-L/ARD/0334/17

Lynne Neagle AM, Chair
Children, Young People and Education Committee

Simon Thomas AM, Chair
Finance Committee

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Dear Lynne and Simon,

In line with the commitments I made to the Children, Young People and Education Committee in my letters dated 21 March and 11 April, I am writing to provide an update on the anticipated changes to the Additional Learning Needs and Education Tribunal (Wales) Bill Regulatory Impact Assessment (RIA), in response to concerns raised with the Committee by SNAP Cymru.

As I said previously, the information used in the RIA relating to the cost associated with disagreements and appeals was based on data provided by SNAP Cymru. My officials met with representatives from SNAP at the end of March to discuss their concerns and have subsequently worked with the organisation to make changes to the RIA following receipt of revised information. SNAP Cymru provided new information that reflected both a reduction in the number of cases of dispute resolution (around 50%) and the cost to local authorities of services for resolving disagreements (of around 75%).

The revised figures have had a substantial impact on the cost of the Bill estimated in the RIA. A significant amount of work has also been required to undertake the necessary drafting changes. Whilst this work is well advanced, it is not yet complete as I wish to ensure sufficient time to undertake detailed quality assurance.

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

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

Therefore, whilst I am in a position to provide the Committee with the latest best estimates as a result of the changes, these are still subject to change following the necessary internal checking and clearance process. This work will continue over the coming months and be reflected in the next iteration of the RIA, which I will lay before the Assembly ahead of Stage 3 in September.

In addition to the changes flowing from the revised information from SNAP Cymru, we have also taken the opportunity to review the RIA in the light of other changes since December 2016. Specifically, the instance of double counting, which I wrote to the Committees about in February, and the commitment the Government made in February to direct over £20m of funding towards implementation of the ALN Transformation Programme during the current Assembly.

Taking all this into consideration:

1. estimated ongoing savings are expected to reduce from £14,182,920 (as published in the RIA in December 2016), over the four year period (to which the RIA refers), to £3,675,240 – so from around £3.5m per annum to around £900k per annum;
2. the estimated overall cost of the Bill is expected to change from a saving of £4,828,480 (as published in the RIA in December 2016) over the four year period to a cost of £8,279,250.

I am grateful to SNAP Cymru for the constructive way that they have worked with my officials on this matter.

Overall, whilst there will be a cost associated with implementation of the Bill, this will be incurred by the Welsh Government and covered by the £20m implementation funding package that I announced in February. Once implemented, the new system is expected to realise savings, which will continue beyond the period of transition. But this is not what these reforms are about; they are about improving outcomes for children and young people. This reform process is not and never has been about cost savings. It has been driven by a determination to deliver the best possible outcomes for learners.

Changes of this scale are disappointing and risk partners being anxious about the robustness of the Government's projections as regards the cost of implementation of the Bill and wider Transformation Programme. However, the Government's position on the financial implications of these important and necessary reforms has been clear. A cost associated with transition was both expected and necessary to ensure service providers are prepared and equipped; however, following the transition period, the new system was expected to be cheaper to deliver. This remains the Welsh Government position, and this is borne out by the local authorities already operating many elements of the new system, and is supported still by the RIA.

I hope that the Committees find this information helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alun', with a horizontal line underneath it.

Alun Davies AC/AM

Gweinidog y Gymraeg a Dysgu Gydol Oes
Minister for Lifelong Learning and Welsh Language