

Y Pwyllgor Cyllid

FIN(3)-22-10 papur 3

Welsh Assembly Government Draft Budget 2011-12 – Responses from Welsh Ministers

Ysgrifennodd y Pwyllgor Cyllid at Weinidogion portffolio yn dilyn ei sesiwn tystiolaeth gyntaf ar y Gyllideb Ddrafft ar 18 Tachwedd. Mae'r ymatebion ynghlwm fel atodiad i'r papur hon

Gwasanaeth y Pwyllgorau

Alun Ffred Jones AC/AM
Y Gweinidog dros Dreftadaeth
Minister for Heritage



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Ein cyf/Our ref: SF/AJ/00156/10

Angela Burns AM
Chair, Finance Committee
Cardiff Bay,
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29th November 2010

Dear Angela,

Scrutiny of the Welsh Assembly Government's Draft Budget for 2011- 12

The purpose of this letter is to respond to your letter of 23rd November concerning the Heritage contribution to the Welsh Government's draft budget published on 17th November.

The Heritage budget contains most of the public funding provided to support the arts, national museums and libraries, sport, the Welsh language and the built heritage and to promote and support the development of Wales as a tourist destination. The majority of the Heritage budget is paid out to Assembly Government Sponsored Bodies (AGSBs). Funding is also provided to Visit Wales, Cadw and Cymal. My proposals take into account discussions with each of the AGSBs during the period preceding the budget announcement and a detailed assessment of the pressures they face.

You have asked me to inform you of the priorities I had in determining the budget for 2011-12 and how these would contribute to meeting the Governments overall strategic objectives. My priorities are four fold.

Firstly I have prioritised the protection of front line services whenever possible. We will also maintain our commitment to widening access to each of those services including free entry to the National Museum sites. Each of the AGSB running cost budgets will be reduced by a greater amount than the programmes they support. Our ability to continue to deliver the wide range of outcomes that characterise the Heritage budget will be crucially dependant on our ability to generate efficiency savings, both as a Department and through the organisations that we fund. It will be important to explore the extent to which these can be achieved through greater joint working across and between the arms length bodies that we fund. I am also anxious to generate greater synergies between the distinctive programmes within the Heritage portfolio. Casgliad y Werin – the People's Collection is an excellent example of what can be achieved by organisations working together. It is a partnership between Amgueddfa Cymru, the National Library and the Royal Commission. It's funding will be increased reflecting its strategic importance. I want to see stronger action across a broad front to maximise the opportunities surrounding cultural tourism. I also want to emphasise the cross cutting contribution Heritage makes across a range of the Government's programmes including areas such as public health, community regeneration and education.

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Secondly, I have accorded a particular priority to the support government provides for promoting the Welsh language. I will shortly be publishing the government's revised Welsh language strategy and this additional funding will enable some of the important new proposals contained within the strategy to be implemented. I have also made provision to support the introduction of the new Welsh Language Commissioner.

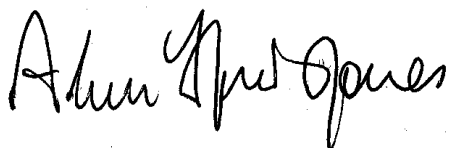
Thirdly, I have sought to maintain Tourism and Cadw budgets at a level that will enable us to provide matching funding for the European structural funds resources that have been made available to support work in this area. We will continue our investment in the promotion and marketing of tourism with a view to growing the visitor economy to take advantage of Wales' natural, heritage and cultural assets combined with high quality hospitality and ease of access. By growing the visitor economy, jobs are created and sustained throughout Wales, especially in rural areas and for the more disadvantaged sectors of society.

And finally, on the capital side, I have prioritised the Government's support for the redevelopment of St Fagans. I have been anxious to ensure that we could construct a funding package that will enable us to draw down lottery funding to support this project which is of strategic importance to our tourism economy. It is also of course a magnificent facility for the people of Wales.

Now that we have published our spending plans we are in the process of developing more detailed business plans which will set out the key deliverables against our strategic priorities. Going forward, we will monitor the outcomes of our interventions as part of the Assembly Government's business planning process. In the past there has always been a thorough evaluation of our programmes and this will continue. ACW evaluates its own programmes, for example the Welsh presence at the Venice Biennale, the ACW presence at Hay Festival and regularly publishes information on audiences from the arts etc. In Visit Wales evaluation is part of the budget for every programme and these statistics are published. I take delivery of outcomes very seriously and with every AGSB I oversee, they will continue to be subject to Quarterly Monitoring Meetings, where their progress against their own business plan, which I approve annually, and against Key Performance Indicators will be monitored. I will continue to meet all the Chairs and CEOs regularly as part of our scrutiny and monitoring regime.

The funding provided to the Heritage MEG has enabled me to continue to provide funding for each of our main spending programmes. There will be individual projects within each of those programmes that will need to be stopped or scaled back but comprehensive information on the nature of those more detailed changes is not yet available.

Yours Sincerely,



Alun Ffred Jones AC/AM

Y Gweinidog dros Dreftadaeth / Minister for Heritage

Carl Sargeant AC/AM

**Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth
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29 November 2010

Dea Angela

Scrutiny of Welsh Assembly Government Draft Budget 2011-12

Thank you for your letter of 23 November 2010 asking a number of questions in relation to the Draft Budget and the Social Justice and Local Government (SJLG) portfolio.

Taking each question in turn, my department's spending priorities are closely aligned to the Assembly Government's commitments in One Wales and are based on the budget criteria set out by the Cabinet. As such, the focus has been on protecting front line services and, in particular, services to the most vulnerable in our society. In setting budgets, we have considered and assessed the impacts of the changes both on the organisations affected and on the services delivered. We have worked with our third sector partners, issuing a joint letter with the Welsh Council for Voluntary Action about the process to set the Welsh Assembly Budget and the implications for the third sector. We have also assessed the potential impact of budget reductions in terms of equalities. The protection being given to local authority social care budgets takes account of this, as well as reflecting more generally the need to maintain services to the most vulnerable in society. My *Your services, your say* summer tour around Wales also gave me an opportunity to meet frontline workers, volunteers and citizens, and ask them for their thoughts about the services they provide and how these could be done better against a difficult financial background.

Monitoring the delivery of outcomes in respect of our strategic priorities is very important and is at the heart of our policy making and implementation. Now that we have published our spending plans we are in the process of developing more detailed business plans which will set out the key deliverables against our strategic priorities. Going forward, we will monitor the outcomes of our interventions as part of the Assembly Government's business planning process.

Turning to your specific question about Fire and Rescue Service (FRS) funding, the three Welsh Fire and Rescue Authorities (FRAs) are core funded through levies placed on their constituent local authorities. They cannot raise council tax directly and it will be for the

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FRA to negotiate their budgets with their constituent local authorities. In 2011-12, Local Government will receive over £4.004 billion through the settlement to fund key core services which represents a decrease of 1.4% on what authorities received last year taking into account transfers. RSG plans for 2012-13 and 2013-14 are £4.014 billion and £4.066 billion, increases of 0.2% and 1.3% respectively. The provision of indicative settlements for 2012-13 and 2013-14 for local authorities should assist the FRAs in planning future levies.

In terms of grants for specific initiatives, there are two budgets within the SJLG MEG which provide funding to the FRS. The Fire and Rescue Services Resilience budget provides support outside of RSG for resilience and other major Fire and Rescue Service (FRS) projects such as the Firelink and New Dimension programmes. Separately, the Fire and Rescue Services National Framework budget provides funding for a range of fire prevention and community safety initiatives such as Home Fire Safety Checks, tackling arson and working with young people.

Finally, you asked about the council tax benefit schemes. There are currently four separate schemes funded from the SJLG MEG in relation to benefit advice including provision to help pensioners with council tax and funding and funding for local authorities to increase awareness and take-up of council tax benefit. I believe that there is scope for improved effectiveness and have therefore decided that it would make sense for there to be a consolidated budget making provision for the range of advice services with £2 million being transferred from the Council Tax Benefit Schemes budget to the Financial Inclusion budget. This will bring the four funding streams together in one budget and I am currently considering the scope of future provision in this area.

I hope that this answers your queries.

Yours sincerely



Carl Sargeant AM/AC

Edwina Hart MBE OStJ AM

Y Gweinidog dros Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Our ref: SF/EH/0540/10

Your ref:

Angela Burns AM
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29 November 2010

Scrutiny of Welsh Assembly Government Draft Budget, 2011-12

Thank you for your letter of 23 November setting out the issues raised by the Finance Committee in relation to the Health & Social Services (HSS) portfolio, as part of the overall scrutiny of the Welsh Assembly Government's future spending plans.

In terms of my budget priorities, my portfolio leads the delivery of the Welsh Assembly Government's key strategic outcomes to promote a healthy population with a good quality of life and to ensure that health care and social care are readily available.

Revenue Funding

The overall revenue funding for the HSS Main Expenditure Group (MEG) remains unchanged, in cash terms, from the latest 2010-11 budget. This has allowed me to protect the funding for core health services delivered by the NHS in Wales. In doing so, my priority was to provide a solid platform for the NHS to take forward the 5-Year Service, Workforce and Financial Strategic Framework.

Outside of the main allocations to LHBs, the budget also ensures that we have protected funding streams aimed at vulnerable groups. This includes the funding I have made available for Children and Adolescent Mental Health Services (CAHMS); Veterans, and for tackling substance misuse.

I have also increased the funding available to implement the Mental Health Measure and ensured that the delivery of the *One Wales* commitments remains on track.

I am maintaining the level of investment in Research and Development, which recognises the significant contribution that health R&D makes to the economic renewal programme - particularly through income generation and job creation.

In addition, promoting health improvement and ensuring health protection continue to be a priority, as this is crucial to improving life in Wales and in reducing burdens on the NHS and other services.

Maintaining our investment in Social Services is crucial. The Local Government settlement allows funding for Social Services within the Revenue Support Grant to increase by £35m a year by 2013-14 – representing a 3% uplift. I am also maintaining investment in Social Services funded through the HSS MEG.

Efficiencies

In relation to driving efficiencies, the NHS in Wales has a very successful track record. It has already delivered £850 million of efficiency savings over the past four years. However, the service recognises that it will need to continue to deliver efficiencies in order to meet unavoidable cost increases in future years including, for example, increasing demand and ensuring access to new drugs and therapies against a backdrop of increasing demand and an ageing population.

The efficiency drive is underpinned by the 12 National Programmes that form part of the 5-Year Strategic Framework, which are being developed to drive transformation and service change. These are:

- Prevention and Promotion
- Unscheduled Care
- Mental Health
- Long-Term Conditions/Primary Care/Primary Care Assurance
- Continuing Health Care
- Acute Care
- Medicines Management
- Informatics
- Workforce Modernisation
- Social Services/Partnerships
- Patient Engagement/Experience
- 1000 Lives Plus

Capital Funding

Clearly the reduction in the Assembly Government's capital budget impacts greatly on the Health Capital programme. The capital reduction for the HSS MEG totals approximately 27% in cash terms over three years with a 12.6% reduction next year.

All approved schemes will go ahead, although there will be some inevitable phasing of start dates. The reduction in capital funding will require a review of the cost, content and timing of future schemes, and an acceleration of the disposals to increase income. The avoidance of PFI schemes, with their impact on revenue, has proved to be the right decision and the use of alternative means of providing and funding capital development will need to be tested with caution.

Monitoring Outcomes

Turning to the monitoring of delivery of outcomes by the NHS, I will continue to do this through the Annual Operating Framework. For social services, there is a clear set of arrangements to monitor and evaluate delivery established at both national and local levels. This involves registration inspection, compliance and enforcement of both service providers and the workforce.

Withdrawal of Funding

You also asked about the withdrawal of schemes where outcomes cannot be demonstrated. The appraisal of programme effectiveness is a routine part of leading and managing the portfolio, and this is undertaken as a matter of course for spending decisions taken throughout the year.

Autism Funding

£1.8m has been allocated for the Strategy for 2010-11. The production of awareness raising packages and arrangements for adults are key actions proposed for this year and representatives from Autism Cymru and the National Autistic Society (NAS) have agreed to be involved in their development.

For next year, there is provision in my portfolio budget to enable us to continue to deliver on the Autism Strategy action plan and agreed projects. This funding is contained within the Children's Social Services Action Budget.

In addition, I have also agreed an additional transfer to the Revenue Support Grant as part of the draft budget, to implement the Children & Young People Act 2008. This transfer sum includes increased resources for short breaks to disabled children and their families - which would include children with autism.

For adult services, £1.7 million has been allocated to develop and provide additional services to support adults with ASD over the next three years, to include:

- the development and introduction of an all Wales network offering a diagnostic and counselling service for adults;
- additional monitoring/support for adults with Asperger Syndrome;
- the development of ASD specific assessments tools and awareness raising materials; and
- the appointment of a Wales ASD Employment Ambassador and awareness raising and training support for staff within Careers Wales, JobCentre Plus and for Disability Employment Advisors.

Welsh Housing Investment Trust

With regard to the Welsh Housing Investment Trust, until the Trust is established and the detail of its structure and financing resolved, it is too soon to assess its wider applicability to the NHS.

Management Costs

The Organisational Change Policy (OCP) proved its worth in ensuring a very successful NHS reorganisation, where key service and financial targets were maintained during the transition period. The Service is on track to achieve the 20% saving, with over £17 million saved since reorganisation.



Elin Jones AM/AC
Y Gweinidog dros Faterion Gwledig
Minister for Rural Affairs



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Welsh Assembly Government

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29 November 2010

Dear Angela

Scrutiny of the Welsh Assembly Government's Draft Budget for 2011- 12

I write in response to your letter dated 23 November 2010 regarding the above.

The priorities I set when determining my Draft Budget for 2011-12 were as follows:

- Funding to deliver the various strands of the £795m Rural Development Plan 2007-13 has been protected. This will allow us to continue with funding to farmers under schemes to protect and enhance the countryside; schemes to support farming businesses, and funding to improve the quality of life in rural areas;
- Payments made under the Single Farm Payment Scheme total some £263m of EU funding. To deliver the scheme successfully and ensure farmers receive accurate payments on time requires a very significant level of investment in IT systems. The budget for the Scheme's administration has therefore been protected at some £7m per annum;
- A comprehensive bovine TB eradication programme is in place and includes measures to address all sources of TB infection. £10.4m is being committed to the TB eradication programme in 2011/12, in order to deliver the planned programme for the year and take forward this *One Wales* Commitment; and
- The Young Entrants' Support Scheme, introduced this year, has been protected at £1.7m per annum. The initiative, which exceeded expectations in its first year with 114 successful applications, will help address the issue of the ageing farming population and ensure a viable future for the industry.

Now that we have published our spending plans we are in the process of developing more detailed business plans which will set out the key deliverables against our strategic priorities. Going forward, we will monitor the outcomes of our intentions as part of the assembly Government's business planning process. I would highlight the following:

- Under the Rural Development Plan, I am introducing a new sustainable land management scheme, *Glastir*, from 2012, to deliver on climate change, carbon/water/soil/habitat management and bio-diversity. It has 2 elements – the All-Wales element, and a Targeted element. The All-Wales element provides an entry level land management scheme which will allow far larger numbers of farmers and far greater areas of farmland to be brought under land management. The Targeted element focuses on 3 main elements: soils and soil carbon management, water management and the management of biodiversity. *Glastir* will replace the four existing agri-environment schemes contained within the Plan, and stringent monitoring arrangements are being put in place;
- Bovine TB Eradication programme - the scale of the disease in Wales means that the eradication of bovine TB is a long term aim. This was fully recognised when I introduced the programme and allocated the budget of £27.7 million for the last 3 years. It is necessary to monitor the medium to long term trend in the disease in order to establish the outcomes from the programme.

There are no schemes or projects within my portfolio that have had to be turned down or withdrawn because their outcomes could not be demonstrated or were undeliverable.



Elin Jones AC/AM
Y Gweinidog dros Faterion Gwledig
Minister for Rural Affairs

Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister



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Angela Burns
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29 November 2010

Dear Angela,

Scrutiny of Welsh Assembly Government Draft Budget 2011-12

I refer to your letter of 23 November regarding the priorities I have set in determining my budget for 2011-12.

The proposed budget allocations that I have outlined for my Department in the draft budget announcement on 17 November have been planned to ensure that we continue to support the economic recovery and promote economic growth whilst at the same time ensuring that we safeguard essential services including protecting the more vulnerable in our society.

One of the core principles of *Economic Renewal: a new direction* is to ensure that we target our resources at those areas which will add the most value. That is why we need to prioritise our business support activities to six key business sectors and that we will be providing less funds for one to one business support and investing more in infrastructure, research & development and improving the conditions in which businesses operate. Through prioritising our economic development budget in this way, we will be better able to make a difference and contribute to one of the Assembly Governments overall strategic priorities of promoting economic growth.

A robust and transparent framework for monitoring, evaluating, tracking and reporting on our progress is essential to the effective delivery of the policy and, in *Economic Renewal*, a commitment was given to publish a Framework for Measuring Progress. A draft Framework is currently being developed and is likely to be published during December. The Framework will establish the general principles by which information will be identified, developed and made available. The shift in policy requires a similar shift in thinking in terms of the way performance and progress is measured. In the short-term, progress will be primarily monitored by the extent to which *Economic Renewal* commitments are being achieved.

In terms of transport, we will continue to work towards delivering the Wales Transport Strategy and the National Transport Plan and, whilst the budget settlement means that we will have to slow progress in some areas, we remain committed to the objectives and aims set out in the Strategy and Plan.

Another key priority in considering the transport budget allocations is our commitment to Climate Change and reducing our carbon emissions. The revised budget maintains our commitment to sustainable travel and public transport, ensuring that the majority of our transport investment is allocated to support these areas. It also recognises our commitment to protect concessionary fares, a key policy of the Welsh Assembly Government and, together with maintaining the funding levels in 2011-12 for bus services in areas which are not commercially viable, will help to contribute to the Assembly Government's strategic priority to lessen the impact of budget reductions on the more vulnerable groups.

A number of capital road and rail schemes will inevitably be affected in the settlement and I am currently reviewing all projects and will make an announcement on how I intend to deal with the challenges of the capital settlement shortly.

Although funding will be reduced, we have been seeking alternative sources of finance and, within my budget we have already secured £66m of EU funding and have worked closely with local authorities to enable them to secure a further £76m. In addition to this total value of over £140m, we are working to secure a further £116m of capital funds from Europe up to 2015.



Ieuan Wyn Jones

Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

Jane Davidson AC/AM

Y Gweinidog dros yr Amgylchedd, Cynaliadwyedd a Thai
Minister for Environment, Sustainability and Housing



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Ein cyf/Our ref: SF/JAD/0489/10

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29 November 2010

Dear *Angela,*

We are responding to your letter dated 23 November.

In determining our strategic priorities we have carefully considered how to use our allocation to best effect for the people of Wales. We have been especially mindful of lead role that the portfolio plays for Cabinet on sustainable development and climate change as well as our commitment as a government to protect society's most vulnerable.

This budget reflects our commitment to sustainable development and equality. Despite being in a time of reducing budgets we are protecting the Major Repairs Allowance and remain committed to achieving the Welsh Housing Quality Standard. Further to this we are protecting the Rapid Response Adaptations capital programme budget which allows people to remain in their own homes and saves resources in the NHS and social care. We have also secured additional resources to offer some level of protection for Supporting People services; a programme which makes a significant difference to the everyday lives of some of the most vulnerable individuals in our society, and which also saves money for Social Services, local government and community safety.

We are protecting the most vulnerable in society through the Energy Efficiency and Fuel Poverty programme which aims to reduce fuel poverty whilst reducing carbon emissions and are maintaining 2010-11 funding levels into next year. We are also providing a significant level of protection to our flood risk management programme and climate change considerations have been central to our budget setting process.

We have provided the Communities and Culture and Sustainability Committees with written evidence. These evidence papers clearly set out our priorities and the full extent of our areas of protection. Both evidence papers are appended to this letter for your information.

In terms of evaluating outcomes, all main areas of spending are subject to formal outcome monitoring, which we then subsequently monitor with our respective senior officials. Some clear evidence of this are:

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- We have just published an independent review, which was conducted by Sir Mansel Aylward, on the Supporting People programme. The review confirms that the evidence for the programme's effectiveness is strong and there is a plausible demonstration of its cost-effectiveness and value for money spent;
- Care and Repair Cymru have estimated that the Health and Social Services are saved £7.50 for every £1 spent on Rapid Response Adaptations.
- Our direct investment in Social Housing Grant has delivered a large proportion of the 6,700 new affordable homes built in Wales in the past few years. This effectively meets our One Wales commitment one year early;
- Our current Home Energy Efficiency Scheme has helped around 40,000 households and provided significant employment opportunities;
- Our investment in flood risk management over the past three years has enabled over 60 flood defence schemes to be completed. This has lowered the risk of flooding to 2,200 homes and businesses; and
- Latest figures show a further increase in recycling rates across the 22 local authorities. During 2009-10 local authorities landfilled 55% of the waste collection. This compares to 80% in 2003-04. The Assembly Government's specific waste investment in local authorities has played a significant contribution in diverting waste from landfill.

Even with the challenging budget constraints we have not withdrawn any particular schemes or projects on the basis that the outcomes could not be demonstrated.

I trust that this letter addresses the points raised in your correspondence.

Yours sincerely,



Jane Davidson AM

Y Gweinidog dros yr Amgylchedd, Cynaliadwyedd a Thai
Minister for Environment, Sustainability and Housing



Jocelyn Davies AM

Dirprwy Weinidog dros Dai ac Adfywio
Deputy Minister for Housing and Regeneration

Leighton Andrews AC/AM

**Y Gweinidog dros Blant, Addysg & Dysgu Gydol Oes
Minister for Children, Education & Lifelong Learning**



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29 November 2010

Dear Angela,

You wrote to me on 23 November requesting clarification of a number of points in relation to the Education portfolio. In terms of priorities, the DCELLS budget reflects the positive commitment to protect funding for schools and skills, and to protect those front line services which impact directly on children and the most vulnerable, despite the very difficult settlement received from the UK Government. The budget will enable these services to be extended through the application of increased investment over the next three years. Budgets for schools – both within the Education Department and through the Revenue Support Grant - have been protected by 1% above the rate of change in the Welsh budget. Budgets for skills have been given similar protection.

In addition, some budgets have been re-prioritised to ensure that funding is available to support the full roll-out of the foundation phase, to increase funding for Post 16 learners with Special Educational Needs (Post 16 SEN), to match demand for free primary school breakfasts and to reflect the increases in students within Higher Education.

Capital funding has reduced by £10.1m (5.5%) from 2010-11 budget. These reductions continue forward by £12.1m (7%) and £17.5m, (10.9%) for the next two years from 2012-13. In response the department will seek to manage capital projects on a more strategic basis and carefully prioritise investments.

The need for the department and partner organisations to realise real terms efficiencies alongside budget savings has been central to the budget setting process and is closely linked to the management of the overall budget reduction and the maintenance of front line services.

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In setting its budgets, the department has considered and assessed the impacts of the changes both on the organisations affected and, more importantly, on the learners and learning outcomes. Careful consideration has been given to equality impacts and to the need to tackle social inequalities, including child poverty, more generally. Specifically this is reflected in the protection of budgets which impact directly on children, and increases in a number of budgets including foundation phase, free primary school breakfasts, and post 16 SEN.

The department's spending priorities are fully aligned with the Assembly Government's commitments in One Wales. The focus is on protecting front line services and, in particular, services to the most vulnerable children, families, unemployed young people (to age 25) and those with special educational needs.

Now that we have published our spending plans we are in the process of developing more detailed business plans which will set out the key deliverables against our strategic priorities. Going forward, we will monitor the outcomes of our interventions as part of the Assembly Government's business planning process.

In terms of schemes that have been withdrawn, following consultation I have opted for a phased ending of the ILA (Wales) scheme. The needs of priority groups will be addressed through the operation of the Fees Policy. The 50% ILA band (£100 value) has been withdrawn from April 2010, with full closure from April 2011.

Although the ILA (Wales) scheme has received positive feedback from an independent evaluation by BMG Research it is a small scale scheme with a relatively low uptake (about 7,000 course bookings, which is a small proportion of the main target group of approximately 600,000 adults in Wales who have qualifications below Level 2); it is expensive to administer: of the total 2008-09 expenditure on the scheme 24% went on administration and marketing; and the development of a post-16 Fees Policy (building on the 'Investing in Skills' consultation) will provide an alternative way of meeting most of the priority needs currently addressed through the ILA (Wales) scheme, as the forthcoming policy would exempt priority groups from fees charged by Further Education Institutions (FEIs).

In addition, the Coleg Harlech Bursaries budget has been reduced by £0.3m and £0.1m over the next two years. The reduction in budget reflects the financial implications associated with the my acceptance of recommendations in the Hancock Report. The review group found half of the Coleg Harlech beneficiaries were learners from England, as part of a reciprocal agreement whereby learners from Wales would be supported by the Learning and Skills Council to attend residential colleges in England. This was a very one-sided arrangement with very few Wales residents attending the English colleges with bursary support. Consequently, the Assembly Government is recommended to end the reciprocal arrangement, and to concentrate support on learners from Wales.

In terms of the Autistic Spectrum Disorder (ASD) Strategic Action Plan for Wales, it is funded within the Children's Social Services budget of the Health and Social Services Main Expenditure Group. The Minister for Health and Social Services is considering the levels of funding that will be made available for 2011-12 onwards.

This Government certainly has no intention of returning to the early days of PFI but remains committed to exploring the use of innovative forms of investment in public infrastructure in Wales and I want my department's approach to mirror that. When considering investment in the education infrastructure in Wales we will ensure that it should be citizen-focussed, strategic, partnered, efficient, support the public service workforce where appropriate and pragmatic in outlook. I expect my Department to learn from those innovative forms of

investment opportunities that are currently being developed and taken forward; such as the JEREMIE fund, our innovative Waste Management Programme and the Welsh Housing Investment Trust and any lessons to be learnt from previous methods of investment such as those used in the English Health sector.

The 21st Century Schools Programme will be a long-term and sustained programme of investment. It will seek to deliver a new generation of education buildings that are fit for delivery of education in the 21st Century. However, the constraints on public expenditure, and on capital in particular, for the next few years make it particularly important that we are open to ways in which we can maximise investment in public service infrastructure, including new educational buildings, and are subject to delivering value for money and protecting the position of the public service workforce. I have established a single capital fund in my draft budget proposals that will enable us to support strategic programmes such as 21st Century Schools. It will require us to ensure that capital is handled on a project basis and that decisions are taken on priorities across the sectors. My officials will continue to explore the viability of the various approaches to capital investment.

Yours sincerely
Leighton Andrews

Leighton Andrews AM
Minister for Children, Education & Lifelong Learning