

Education and Lifelong Learning Committee

Date: 1 October 2003
Title : Budget Planning Round 2003: Education and Lifelong Learning

PURPOSE

1. To provide the Committee with a further opportunity to comment on budget priorities within the Education and Lifelong Learning portfolio in accordance with Standing Orders 9.8, 19.1 and 19.2 in advance of the formal draft budget being laid.

TIMING

2. Under Standing Orders the draft budget will be laid for the Assembly to take note before November 15 and fuller discussion will take place when I seek the Committee's formal views on the draft budget once the Assembly has taken note.

BACKGROUND

3. This year is not a Comprehensive Spending Review year and Budget provisions were agreed in March 2003 for the three years to April 2006. Funding for compulsory schooling does not form part of the Education and Lifelong Learning MEG but is contained within the Local Government Settlement. In 2003-2004, budgetary provision for local authority education services is budgeted at : £1,645m.
4. Discussion in Committee and resulting correspondence is attached at annex 1. It was helpful to hear the Committee's views and they have informed my consideration to date.

DISCUSSION

5. My proposals ([ELL\(2\) 02-03 \(p.4\)](#)) confirmed the direction set and endorsed in the Comprehensive Spending Review of 2002 and the key areas set out in the Learning Country. The then ELL Committee's views were supportive of our educational priorities over the last 2 budget planning rounds with consistent support for early years, higher education (including for Reaching Higher), SEN and practitioner pay and support. In supporting the budget priorities for the period covered by the Spending Review (2003-4 to 2005-2006) comments pointed in particular to post-16 education and training, particularly as regards provision for FE pay; provision for learners with special educational needs; and in support of the Assembly's broad agenda for a bilingual Wales.
6. The Committee, in the Chair's letter of 16 July, endorsed the priorities in broad terms and welcomed the investment in key areas supported by the previous ELL Committee. The Committee's comments specifically

endorsed continuing investment in special educational needs, raising standards in schools and tackling teachers' workload (implementing the national agreement) and implementing the national action plan for a bilingual Wales (*Iaith Pawb*). Regarding the latter, the committee expressed support for teacher training through the medium of Welsh - with particular reference to early years settings.

7. Since then expenditure figures for 2002-2003 on a resource basis for the MEG have become available giving a useful context to decision for future allocation. These are summarised at annex 2 (figures are subject to NAO final clearance of accounts). In brief, expenditure on a resource basis in 2002-2003 was £1,132.15m against original provision of £1,072.4m and final provision of £1,137m ie an underspend of less than 1%.

Recommendation

8. The Committee is invited to [note the position on 2002-2003 and] the position in respect of BPR 2003 and to make any further comments it wishes. I must remind members that the Finance Minister indicated that, in most cases, bids for additional spending in the current BPR above indicative budgets are unlikely to succeed. I will therefore be looking to work within the current draft budget levels which in themselves are a significant uplift on 2002-2003 levels, to meet many of the identified priorities.

Compliance

9. The Assembly's procedures in relation to allocation of programme budgets are covered under standing order 19. This paper relates to Education and Lifelong Learning Main Expenditure Group of the Assembly's budget. The powers related to them have been transferred to, or made exercisable by, the Assembly and authority to operate the associated schemes and programmes has been delegated to the Minister for Education and Lifelong Learning and officials. There are no issues of propriety or regularity.

<u>Description</u>	<u>Original Plan</u>	<u>Revised Winter Budget</u>	<u>Revised Spring Budget</u>	<u>Cash Spend end March 03</u>	<u>Forecast Outturn (Resource terms)</u>	<u>Resource Over/under spend</u>	<u>%</u>
Training And Enterprise Support (a)	1,953,000	1,673,000	1,978,000	1,767,466	1,887,000	91,000	4.60
Careers Wales (b)	32,800,000	32,800,000	32,800,000	29,781,116	35,955,000	3,155,000	-9.62
National Council - ELWa (c) Higher Education Funding Council	461,026,000	461,306,000	475,761,000	478,473,930	482,234,000	6,473,000	-1.36
Student Access Funds (d)	321,802,000	321,802,000	338,831,000	338,801,000	338,678,000	153,000	0.05
Promotion of Lifelong Learning (e)	21,060,000	41,617,000	29,458,000	29,614,663	29,615,000	157,000	-0.53
Research Development Fund	13,204,000	13,204,000	13,204,000	7,588,446	13,122,000	82,000	0.62
Teaching : Restructuring (f)	10,050,000	10,050,000	11,500,000	11,500,000	11,500,000	-	-
Schools Capital (g)	17,940,000	17,940,000	27,240,000	23,803,442	26,225,000	1,015,000	3.73
GEST (h)	45,185,000	45,185,000	45,185,000	25,193,795	33,876,000	11,309,000	25.03
ACCAC	62,960,000	81,736,000	75,736,000	61,411,932	75,332,000	404,000	0.53
OTHER EDUCATION (I) Education - General Capital Funding	12,096,000	12,096,000	12,496,000	12,496,000	12,515,000	19,000	-0.15
EDUCATION AND LIFELONG LEARNING (MEG)	17,387,000	17,311,000	17,944,000	16,552,998	16,273,000	1,671,000	9.31
	54,939,000	54,939,000	54,939,000	55,004,000	54,939,000	-	-
	1,072,402,000	1,111,659,000	1,137,072,000	1,091,988,788	1,132,151,000	4,921,000	0.43%

Footnotes

all figures subject to final approval by NAO

- a. Training and Enterprise Support: underspend due to slippage in the (Wales Union Learning Fund) WULF projects getting off the ground compounded by late receipt of the unions getting their invoices in late - many of these could not be thrown back under resource accounting because they were grants under the threshold
- b. Careers Wales: Apparent overspend due to anomalous treatment of 2002-03 creditors . Currently considering with NAO the mechanics of the corrective action to be taken. If done, the out-will be corrected to £32.722m.
- c. National Council –ELWA: Variance due to accounting treatment of receipts accruing from ESF projects in 2000 which as they related to schemes prior to the transfer of responsibility for ESF to the Assembly had to be credited to the Treasury.
- d. Student Access Funds : significant increase in Winter budget where provision agreed as art of the Budget Planning Round was transferred. As data on the scheme became available this provision was adjusted to match expected expenditure.
- e. Promotion of Lifelong Learning: apparent underspend due to late receipt and payment of one invoice (Basic Skills programme) the treatment of which under Resource accounting rules is being considered.
- f. Teaching Restructuring : underspend of £1.015m deriving from Training and Teaching grants to students initial teacher training courses; on the costs of the performance management for teachers scheme , a small reduction in the expenditure by the teacher training agency and on the provision of information to school governors.
- g. Schools Capital: Underspend of £11.309. Local Authorities' claims were not received to the value expected by the closing of accounts. Always difficult to estimate timing on capital projects.
- h. GEST: Increase in Spring budget represents increase in additional school revenue disbursed through SGR to local authorities in respect of threshold and leadership costs. Underspend against final provision due to slippage in claims/ payment of grants for tackling disaffection to local authorities.
- i. Other Education : Variance derives from a number of programmes ; the most significant variations against budgets were

- Early years : £0.546 was underspent as a planned integrated centre in Bridgend was deferred to ensure all funding streams for the project were accessed together.
- Education ICT programme: Education ICT programme: slippage in programme due to delays in securing secondee and lack of fundable project proposals.
- Assisted places scheme: a demand led (closed) scheme against which expenditure is declining as pupils leave the scheme