

Education and Lifelong Learning Committee

CONSIDERATION OF THE DRAFT BUDGET FOR 2003/2006.

Purpose

1. To set out the education elements of the draft budget (annex 2) for the 3 years 2003/2006 as tabled by the Minister for Finance and Communities and debated in Plenary on 15 October.

Recommendation

2. That the Committee comments on the draft budget at Annex 2.

Timing

3. For discussion on 24 October 2002.

Background

4. The Committee considered the issues paper and provided its views on priorities for any additional resources that could be made available (the Committee Chair's letters are at annex 1). These priorities informed my discussions with the Finance Minister and the allocations proposed. The commentary below focuses only upon the major budget items.

Commentary

General

5. The draft budget represents a continuing significant investment in education and lifelong learning. All Partnership Agreement commitments are to be funded and support my main priorities which were endorsed by the Committee. The draft budget increases the resources available in the education and training MEG by £29m in 2003-2004 and by over £570m by 2005-2006. This represents an increase of 8.7% compared to this year's baseline (6.1% in real terms) and a total increase for the period of this budget of nearly 29% on the same basis.

6. In addition to the outcomes and outputs supported under the three year budget settlement announced in 2001, there are a number of specific areas that should be highlighted where resources are being set in place for the long term and challenging education agenda set out in Putting Wales First and in The Learning Country:

- This budget provides fully for the cost of Assembly Learning Grants based on current estimates. This means £46m for the Assembly Learning Grants together with £12m Financial Contingency Funds (formerly known as Access / Hardship funds) each year. These funds are in place to support both FE and HE students. Support for the Postgraduate Certificate in Education (FE) bursary scheme is also maintained at over £1m.
- The resources for Higher Education increase by 20% over the three years of the settlement – 3.7% growth in 2003-2004. These resources are on a something for something basis as set out in Reaching Higher. The Finance Minister's statement confirmed that where the reform agenda is grasped by the sector, additional resources will be forthcoming. Any adjustments that prove necessary will be made in the March Supplementary budget. The agenda for reform includes developing our knowledge economy including increasing commercialisation in both the Higher and further education sectors. The draft budget change re-profile Knowledge Exploitation Fund investment in 2003-2004 and increases investment over the three year period to build on innovation and knowledge transfer activities.
- In the non HE post 16 sector and to meet our skills agenda, additional resources are provided for the National Council – an increase of 3.42% in 2003-2004, which recognises factors such as demographic growth and pay and price inflation. Over the three year settlement, the National Council budget increases by almost £65m compared to 2002-2003. The increase in funding will meet extra costs associated with equalising pay for FE lecturers with that of schoolteachers, to ensure equity between Further Education and schools and also between FE institutions. The substantial increases for 2004-05 and 2005-06 recognise that this is part of a longer term restructuring. Additional resources are also provided to extend the provision for the Wales Union Learning Fund following recent independent evaluation which has demonstrated the programme's success. The additional provision will help about 700 learners to be helped annually. Funds will also be directed to updating our Future Skills Wales survey to provide the evidence-base for the next stage in our skills agenda.
- The commitment to long term capital provision for schools buildings is reaffirmed with a commitment to funding to 2010. While the required level of investment will be clearer once Asset Management Plans are in place, the provisional assessment is of the need for of the order of around £140m a year from the middle of the decade. Increases in the draft budget bring the programme to this level. Following discussions with local authorities, the resources for 2003-2004 have been re-phased taking account of levels of activity in LEAs this year (2002-2003) and the significant planned increases in future years.

- In addition to the revenue provision for education provided through the local government settlement, the draft budget maintains and increases the increased investment in revenue support for schools. This programme includes provision for reducing junior class sizes where good progress has already been made with a reduction in the percentage of junior classes with more than 30 pupils from 29% in September 2000 to 22% in September 2001. The investment to improve attainment at KS3, tackle disaffection, support under performing schools by sharing good practice and to support rural and small schools is also continued. The good practice identified in the Narrowing the Gap in School Performance report, published this week will help underpin this. Investment in Community focussed schools, Extending Entitlement and out of hours learning takes forward the agenda set out in The Learning Country to ensure that learning is at the heart of the community but is not restricted simply to school based formal lessons. In the same vein, investment for a radical change to the 14 to 19 phase in education is prefigured subject to extensive consultation later this year. Taking account of the investment above and the resources for the local government settlement, I have adjusted the provision for the GEST programme with a view to bringing together this and other funding streams for the future and a major review and refocusing of the GEST programme over the medium term. Further investment here will therefore be a matter for consideration in future budget planning rounds.
- The draft budget continues investment for practitioners. The investment in administrative support (£21m over three years), together with resources set aside to pilot approaches designed to enable school leadership teams to identify ways of reducing teachers' workload in their schools, developing leadership training for middle managers in schools and for buying-in on-line materials produced by the National College for School Leadership will tackle the issues of concern to practitioners and support the aspiration to make Wales an excellent place to teach as well as to learn. Funding is also continued and put on a permanent footing to continue the pilot continuing professional development programme begun last year.
- Additional resources have also been provided for improved support for special educational needs including for speech therapy and for better planning and provision of services for low incidence SEN.
- Specific funding is being provided to allow development of a permanent Techniquet in North Wales to allow schools and children there access to the support for science education that is currently enjoyed in South Wales.
- The additional resources announced for early years provision come into effect from 2003-2004 to implement the commitment to places for all 3 year olds whose parents want them. Coupled with the work set out in the Learning Country to develop a Foundation stage, this represents a

significant commitment to giving the best possible start to all our children.

Following the publication of “Our Bilingual Future” the Welsh Assembly Government will be setting out an action plan for the language. The Finance Minister has said that she will be carefully considering the financial implications of the Action Plan and further announcements will follow. Within the ELL MEG however, both in baseline provision and within the additional resources allocated in this round there is continuing support for Welsh in education. In particular, there are additional resources for Welsh immersion pilots for school teachers, and increases for the Welsh Medium Incentive Supplement for initial teacher training students.

7. Outside the Main Expenditure Group, the major area of expenditure in relation to this portfolio is through the local government revenue settlement to provide for schools and local authority education services. The Finance Minister will present the provisional Local Government Settlement to the Assembly on 28 November. There have already been comprehensive and detailed discussions with the Welsh Local Government Association (WLGA) based upon the June report of the Expenditure Sub Group of the Partnership Council to ensure that, this year, all public sector pay and prices pressures have been taken fully into account in the Settlement. Both the WLGA and the Assembly Government are satisfied that this has been achieved. The Settlement will involve an increase of £181 million or an increase of 6.2%. The settlement includes provision for pay awards and teacher pay restructuring.

Compliance

8. This paper seeks the Committee’s views on the draft budget as required under Standing Order 19.

Annexes :

Annex 1: Committee chair’s letters on budget priorities

Annex 2: the Education and Lifelong Learning MEG draft budget

ANNEX 1

**Y PWLLGOR ADDYSG A DYSGU
GYDOL OES**

**EDUCATION AND LIFELONG
LEARNING COMMITTEE**



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

Ms Jane Davidson AM
Minister for Education and Lifelong
Learning

Bae Caerdydd / Cardiff Bay
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10 July 2002

BUDGET PLANNING ROUND (BPR) 2002

I am writing, in accordance with Standing Order 9.8(ii), to convey the Committee's budget priorities. The Committee discussed its budget priorities for 2003-2004 and beyond at a meeting on 26 June, taking account of your issues paper ELL 12-02(p.4b) and the commissioning paper issued by the Finance Minister.

The Committee supported your priorities for investment set out in your issues paper Taking account of the progress to date across education and lifelong learning set out both in your issues paper and the Chief Inspector's report which the Assembly debated in plenary recently,

However, we were also conscious that some of the barriers to further progress set out in the Chief Inspector's report, such as the need for improvements in education in ICT, for SEN and in schools buildings, pointed to a need for more emphasis on investment in these areas. The Committee was also strongly of the view that the review of the Welsh language in education pointed to a need for investment in this area over the long term.

Accordingly the Committee's view is that in the first year of the new round it will be especially important to emphasise the following elements from your priority list:

ELL 15-02(p.3)

- ◆ Post-16 education and training, learning particularly as regards provision for FE;
- ◆ Provision for learners with special educational needs; and
- ◆ In support of the Assembly's broad agenda for a bilingual Wales, serious investment in education programmes to allow this to become a reality. In particular, to see support for the recommendations on sabbaticals for practitioners and improved provision for learners, at all levels in education including SEN provision.

Over the full round and beyond, the Committee would also wish to see further investment, particularly in respect of:

- ◆ The new Assembly Learning Grants;
- ◆ Schools based education including the reward, development and retention of teaching staff;
- ◆ Support for school capital programmes in order to progress towards the ambitious target for 2010;
- ◆ ICT to reflect the needs of the 21st century;
- ◆ Higher Education, to implement the strategy set out in *Reaching Higher*;
- ◆ The development of reward and continuing professional development systems for practitioner in further education and schools; and
- ◆ Tackling disaffection.

Finally, the Committee also wished to support very strongly the continuing investment in 'safe routes to school', to promote safety and healthy exercise. Accordingly, I am copying this to the chair of Environment Planning and Transport committee and would ask you to support proposals from the Minister for Environment, Planning and Transport in this field.

Yours sincerely,

Gareth Jones AM

Chair

cc: Ms Edwina Hart AM, Minister for Finance, Local Government and Communities

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**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

Ms Jane Davidson AM
Minister for Education and Lifelong
Learning

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24 July 2002

BUDGET PLANNING ROUND (BPR) 2002

Further to my letter of 10 July concerning the Budget Planning Round, Alun Pugh has asked me to point out that committee members were particularly concerned about the issue of pay and conditions in the FE sector.

My previous letter included “provision for FE” as a budget priority, as I understand that currently there is no hypothecated funding for college lecturers’ salaries. Therefore, increased funding in this area could be used to mitigate the perceived imbalance between the pay of college lecturers and that of schools teachers although pay matters would continue to be for individual colleges to decide.

In your deliberations on the Budget Planning Round with cabinet colleagues, I should be grateful if you would consider the possibility of providing some hypothecated funding in the FE sector, to address the committee’s concerns.

Yours sincerely,

Gareth Jones AM

Chair

cc: Alun Pugh AM, Deputy Minister for Education and Lifelong Learning