

Huw Lewis AC / AM
Y Gweinidog Addysg a Sgiliau
Minister for Education and Skills



Llywodraeth Cymru
Welsh Government

Ann Jones AM
Chair, Children, Young People and Education Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

11 November 2014

Dear Ann,

Thank you for your letter of 29 October following the budget scrutiny session by the Children, Young Person and Education Committee on 23 October. I have set out below responses to the issues raised in your letter which incorporates the additional information requested at the Committee meeting.

Prioritisation and PDG

Prioritisation

Whilst difficult funding decisions have had to be made, my priorities for Education remain unchanged - to raise standards in literacy and numeracy and breaking the link between deprivation and educational attainment. There is also a continued focus on the priorities for Government – Jobs and Growth, Educational Attainment, Supporting Children, Families and Deprived Communities and Health and Wellbeing.

The increase in funding for the Pupil Deprivation Grant (PDG) is as a direct consequence of the two year Budget Agreement with the Welsh Liberal Democrats. The PDG is an investment in the future of our most vulnerable children – extending and securing this grant for the next two years will only enhance the work that schools are able to do towards breaking the link between deprivation and academic underachievement.

Improving literacy and numeracy continue to be of great importance, but since around 20% of primary school children and 17% of secondary school children are eligible for free school meals, we cannot expect to raise overall attainment unless we directly address the underachievement of these pupils. In any case, this is a matter of equity; it is not acceptable that family income, rather than ability determines how well a pupil achieves.

Extension of PDG to under 5s

The £3.8m for the extension of PDG to under 5s, was calculated on the basis of £300 per eligible learner, to disadvantaged pupils in both maintained and non-maintained educational settings. This includes nursery class pupils and reception class pupils; however children placed with child minders will not be eligible. Learners will be assessed as eligible if they meet the same criteria as for free school meals (FSM).

We estimated the number of eligible learners on the basis of approximately 34,500 learners per cohort and estimating that the same proportion of 3 and 4 year olds would be eligible as are eligible for FSM in primary schools (18.3%).

We are currently working to develop a suitable distribution methodology and a mechanism for local authorities to establish eligibility. My officials will be working with colleagues in local government and early years settings to deliver a robust approach that minimises bureaucracy and to develop high quality guidance to support good use of this funding to help overcome the impact of deprivation.

PDG clawback

I remain determined that schools make the best use of the PDG funding and will be considering the recommendations from the first evaluation report very carefully. It has been made clear to schools that this money is for a specific purpose but it is important to strike a balance between encouraging schools to be innovative as long as they deliver positive outcomes for pupils from low income households, and recovering money from those that have deliberately stepped outside the criteria for the use of PDG. This will take some unpicking. As I said in Committee consortia have a key role in ensuring the good delivery of this aspect of school improvement and we are looking at how to improve their capacity in this respect.

1% funding protection for schools

My officials have been in regular dialogue with officials in Local Government to discuss the continued protection for schools and I will be meeting the Minister for Public Services shortly to discuss this issue of how we can safeguard the continuing investment in schools.

Authorities will continue to be required to evidence the 1% commitment being built into their budgets for 2015-16 and there is an additional £14m in the provisional Local Government Settlement for 2015-16 to support the delivery of this commitment.

I note the Committee's concerns around the reductions in other "indirect" support for schools, such as school swimming. I am mindful however of the significant challenges Local Authorities are facing given reductions to the Settlement of £146m for 2015-16. As the funding through Local Government settlement is unhypothecated, these are local decisions being taken by local authorities in order to manage the budget reductions. Nevertheless, we will still expect local authority monitoring returns to demonstrate that the level of protection required has been built into their budgets for 2015-16.

As agreed at the Committee meeting on 23 October, the table below provides a breakdown of the different funding streams that make up the 1% protection for schools within the Education and Skills MEG in 2015-16. This is based on budgets at BEL level and below that directly or indirectly support learners in school settings.

	Draft Budget 2015-16 £000
Curriculum & Assessment	26,055
Foundation Phase	1,851
School Governance	1,738
School Standards Support	1,364
School Improvement Grant (NEW)	141,021
Literacy & Numeracy	4,512
Further Education (school sixth forms)	106,133
Qualifications	7,903
Teacher Development and Support	10,387
Initial Teacher Training	5,569
Tackling Disaffection	658
Additional Learning Needs	2,246
Food & Nutrition in Schools	3,185
School Based Counselling	80
Welsh Education Strategy (classroom materials)	2,500
Total	315,202
RSG Transfer Adjustment*	46,240
DfES Schools (adjusted Total)	361,442

* Transfer to RSG from 2013-14: Breakfasts, Appetite for Life, WLGA, School Based Counselling, Post-16 SEN (to ensure comparison with 2010-11 baseline)

'Pupil Offer'

The 'pupil offer' is something that we are developing in the context of our Schools Challenge Cymru programme: an innovative and exciting initiative that will inject resources, alongside proven expertise, to deliver a package of tailored support to meet the needs of 40 of our most challenged secondary schools and their cluster primaries.

Over recent months a Welsh Government Task and Finish Group has been considering how we can better support schools and external partners to work together and deliver a breadth of opportunities and activities that widen horizons for learners in Pathways to Success Schools. These opportunities, which will form the core of the 'pupil offer', will focus on the raising of personal expectations, aspirations and ambitions to succeed in future learning, the workplace and later in life.

Developing the 'pupil offer' in the context of Schools Challenge Cymru provides a unique opportunity to pilot approaches before rolling them out more widely. Ultimately, I want all Welsh learners to be given opportunities to engage in a range of activities that are supported and delivered through mutually beneficial relationships between schools and their partners.

Given this ambition, it is vital that any approaches being piloted are sustainable and affordable within existing budgets. As such, the Task and Finish Group is placing sustainability at the heart of its considerations and will be looking to maximise the impact of existing programmes of work, rather than funding new ones. The ability of the 'pupil offer' to foster a culture/ethos, whereby schools and partners perceive such work as being a central part of their role, will therefore be key to its success.

The Task and Finish Group will be engaging with external stakeholders and reporting to me shortly. I will be making a formal announcement on the pupil offer in January and it will be embedded as a central feature of the Schools Challenge Cymru programme over the course of the following year.

Rationalisation of grants into Education Improvement Grant

Grant objectives

I can reassure the Committee that the objectives of the original grants will be given appropriate consideration under the new simplified grant system. Proposals are still being developed, however the strong focus on outcomes, together with additional flexibility, does not mean that we will not hold schools, local authorities and consortia to account on the agreed objectives and performance measures of the grant.

The grant will continue to support a number of statutory responsibilities, for example around the Welsh language. In addition there will be a small number of specific terms and conditions which are non-negotiable, for example maintaining the ratios for the Foundation Phase.

2014-15 reductions

Whilst our commitment to protect schools funding at 1% above changes to the total Welsh budget remains firm, in recent years we have exceeded the level of protection required to meet our commitment. As such, I have therefore had to consider the capacity for schools funding to contribute to the in-year reductions required.

As part of our detailed line by line review of 2014-15 budgets we identified an overall reduction of some £4.3m to schools grant, which includes the School Effectiveness Grant (£2.6m), 14-19 Learning Pathways Grant (£0.2m), and Minority Ethnic Achievement Grant (£1.5m) for this year.

However my officials have written to Local Authority Chief Executives offering some flexibility to reduce the impact of the in-year reductions on schools and learners.

Despite these reductions, our commitment to protect schools funding at 1% above changes to the total Welsh Budget remains firm. Despite the challenging financial climate, we have delivered on our commitment.

Reductions have also been reflected in the 2015-16 budget, whilst still meeting our schools 1% commitment.

Sufficiency of resources to deliver Qualified for Life

Qualified for Life – an Education Improvement Plan for Wales sets out our vision and aim for education to 2020, underpinned by four strategic objectives and associated actions which will ensure we continue our improvement journey. It sets out what we will do over the course of the next six years which in part responds to the comments in the OECD's review that we need a longer term vision for Wales.

The four strategic aims are:

- (i) An excellent professional workforce with strong pedagogy based on an understanding of what works;

- (ii) A curriculum which is engaging and attractive to children and young people and which develops within them an independent ability to apply knowledge and skills;
- (iii) The qualifications young people achieve are nationally and internationally respected and act as a credible passport to their future learning and employment; and
- (iv) Leaders of education at every level working together in a self-improving system, providing mutual support and challenge to raise standards in all schools.

(i) *An excellent professional workforce with strong pedagogy based on an understanding of what works*

This strategic aim will be delivered by a number of actions which are in train, including:

Implementing the new model of professional learning “New Deal” for the workforce;
 Continue the effective use of digital technologies to develop approaches to more personalised learning;
 Ensure that there are sufficient numbers of practitioners with high quality Welsh language skills and competence in Welsh medium and bilingual teaching methodologies;
 Reform ITT;
 Work with consortia to support the development of outstanding classroom teachers and middle leaders; and
 Develop access to Masters programmes for other practitioners and career points.

(ii) *A curriculum which is engaging and attractive to children and young people and which develops within them an independent ability to apply knowledge and skills*

This strategic aim will be delivered by a number of actions which are in train, including:

Refresh and update the National Literacy and Numeracy programmes that were published in 2012 by Autumn 2015;
 Strengthen the arrangements for the moderation of teachers assessments to improve reliability and build confidence in the judgements reached;
 Introduce a new Foundation Phase baseline assessment in September 2015;
 Consider the recommendations of Professor Graham Donaldson’s independent review in taking forward a new curriculum and assessment arrangements for Wales; and
 Introduce a Youth Guarantee.

(iii) *The qualifications young people achieve are nationally and internationally respected and act as a credible passport to their future learning and employment*

This strategic aim will be delivered by a number of actions which are in train, including:

Implement the Review of Qualifications recommendations;
 Introduce new GCSEs in English language, Welsh language, Mathematics and Mathematics-Numeracy and revised GCSEs in English literature and Welsh literature;
 Introduce the vised Welsh Baccalaureate; and

Establish Qualifications Wales.

(iv) *Leaders of education at every level working together in a self-improving system, providing mutual support and challenge to raise standards in all schools*

This strategic aim will be delivered by a number of actions which are in train, including:

Ensure that the principle of school-to-school support underpins Welsh Government and consortia approaches to school improvement;
Work with the National Leadership Development Board and consortia to continue to populate the Leadership Development Pathway and encourage school-to-school working;
Roll out Schools Challenge Cymru project as a fast-track support programme for the most challenged schools in Wales;
Review progress against the agreed priorities in regional consortia business plans via termly review and challenge meetings; and
Introduce a national system for the categorisation of primary schools and secondary schools.

Funding is in place as part of the current year and 2015-16 budget to deliver these actions. As I said in Committee the current envelope of spend has to be the resource we use to implement the plan, therefore we have to make sure that we make best use of this funding.

The progress and performance of the plan will be monitored through the department's assurance systems. Evaluations at the appropriate time form part of the department's evidence plan which is renewed each year. These include assessment of the effectiveness of programmes and their value for money as appropriate.

Initial Teacher Training (ITT)

Professor John Furlong, our appointed Initial Teacher Training (ITT) Adviser for Wales, is currently looking at how ITT can be delivered more effectively in the future. This includes how we can raise the quality standard for those entering the profession; ensuring that ITT programmes currently on offer are of a sufficiently high standard to attract individuals with high levels of subject specialism and the personal qualities required to become excellent reflective teachers.

I anticipate that the changes likely to be proposed will mean that we need to reconsider both the content of courses and how ITT might be delivered differently in the future to support the objectives set out in 'Qualified for Life'.

I will need to consider carefully how the budgets currently attached to all aspects of the delivery of ITT are better utilised in the future to support these changes.

Donaldson review

At this stage it is neither appropriate nor possible to quantify the cost implications for implementation of any recommendations arising out of Professor Donaldson's independent review of the national curriculum and assessment arrangements in Wales, as he is not due to finalise his report until the turn of the year.

I have therefore asked Professor Donaldson to include in his final report his thoughts on how his recommendations might be taken forward in the longer term, including issues around supporting and building workforce capacity and that of the wider system.

I intend to identify necessary resources during 2016-17 budget round if required once the costs of implementing the Donaldson review are assessed. However, in light of the difficult financial climate it is likely that this will have to be achieved through the re-prioritisation of resources within my portfolio.

Post-16 Education

Breakdown of Welsh Government Learning Grant BEL

The Welsh Government Learning Grant BEL provides demand led non repayable student support for eligible students in Higher Education and Further Education. With regard to the breakdown of the budgets in the BEL, the split has yet to be finalised to account level for 2015/16. However, for illustration purposes the split in the first supplementary budget of 2014-15 is as follows:

Welsh Government Learning Grant (HE)	£133.4m
EMA (FE)	£25m
SLC Targeted awards (support includes DSA, Childcare allowance, parental allowance)	£17m
Part time fees and grants	£13m
Welsh Government Learning Grant (FE)	£8m
2007-2010 Fee grant	£0.9m
Grant repayments	-(£0.8m)
Total	£196.5m

Update on EMA scheme

The Education Maintenance Allowance (EMA) Wales Scheme was introduced for 16-18 year olds from 2004/05. It is a weekly allowance of £30, linked to satisfactory attendance and other agreed goals, and is paid fortnightly to eligible students attending participating learning centres in the UK.

To be eligible for EMA, students must be resident in Wales, live in a household that has an annual taxable income of £20,817 or less (£23,077 if there are other qualifying dependents) and:

- Be enrolled at a valid school or college in the UK.
- Intend to take a full-time course or a minimum of 12 guided hours a week (which could be achieved by undertaking more than one eligible course).
- Be enrolled on a valid course from basic skills to NVQ 3, which must last at least 10 weeks.
- Sign a Learning Agreement with their school or college.

The EMA payment depends on satisfactory attendance and progression.

The evaluation of EMA, conducted by Old Bell 3 Ltd, was published on 23 October. I welcome the key findings from the report which include:

£25 million was spent on the EMA Scheme in Wales during the 2012/13 academic year supporting just over 30,000 recipients, equating to £826 per student supported.

EMA supports and contributes towards a range of Welsh Government policies geared towards widening access to education, reducing the rate of young people who are not in education, employment or training (NEET) and addressing the link between poverty and educational attainment. Statistical analysis for the project indicated that students receiving EMA enrolled for post-compulsory education more quickly and where they did not study A-levels, studied for longer and achieved at a higher level than non recipients.

40% of EMA recipients enroll for A-levels, whilst 47% enroll for vocational qualifications (note, due to limitations of the data matching exercise for the study, the course of study could not be identified for most of the remaining 13% of recipients).

Learning agreements and attendance requirements were not always meaningfully or uniformly applied.

Availability of funds to mitigate impact on part-time / 19+ education

My officials are currently working on proposals to secure further funding in 2015/16 to ensure the continuation of this Programme and to mitigate the impact of budget reductions.

Additional Learning Needs (Wales) Bill

The content of the Additional Learning Needs Bill will be finalised at the date of introduction next summer. However, the 'White Paper on legislative proposals for additional learning needs' was drawn up on the basis that any costs associated with the legislation would be met from existing resources within the Education and Skills MEG. Therefore, there are no proposals have not been taken forward as a result of a lack of funding.

Other Issues

21st century schools

General Support BEL

The General Support budget, which amounts to £43m, relates to an allocation to the Education and Skills MEG for un-hypothecated supported borrowing, and is provided to local authorities via the Local Government Revenue Settlement. It represents budgetary cover for local authorities borrowing to fund capital assets such as school buildings.

It is not part of the main Education and Skills capital budget (Strategic Investment- Capital BEL) and decisions on funding allocations rest with individual local authorities.

The funding enables local authorities to determine capital spend on their own priorities according to local needs and circumstances. They can use this allocation to support their 50% contribution towards the programme.

Review of business cases

Consideration of the ability of the Local Authority to match fund is a key element of our scrutiny process. All projects are approved subject to the receipt of a satisfactory Business Case, which must demonstrate that match funding is available and identify the sources of this funding.

This consideration is in line with the requirements of the Better Business Case method, where each project must provide strategic, economic, commercial, financial and management information to ensure that any project funded is aligned with Government objectives, provides value for money, is commercially viable, affordable and deliverable.

Regular meetings are held with Local Authorities which include delivery timetables and affordability. These discussions include the local authorities' continuing ability to fund the match funding requirements of both individual projects within the programme as well as match funding the entire programme.

In addition, all Authorities are required to make formal submissions on a six monthly basis that identify sources of match funding and timing of draw down of funding signed off by the Chief Executive and Section 151 officer.

Any changes to the financial position or requests for increased funding are considered through the established process to assess projects and/or changes to the Programme. This comprises a three-stage assessment process:

Business Case Scrutiny Group comprising technical experts and policy leads,
Capital Panel led by the Director General; and
Ministerial agreement.

Maximising the impact of the programme

We encourage Local Authorities to consider the creation of flexible assets, which includes additional benefits such as community spaces, nursery provision, shared sports facilities etc. However, this is in the context of a fixed Programme funding envelope and such additional benefits must be achieved without detriment to other projects being delivered within the Programme.

Cross cutting issues / impact assessments

Welsh Language impact assessment

One of our key priorities is to see the Welsh language thriving in Wales and to see an increase in the number of people who both speak and use the language. We are committed to considering the impact of our spending decisions on the Welsh Language and Welsh speakers.

Nevertheless, we recognise that the Welsh language is not a stand alone issue. It should be considered in conjunction with the impact on equality, the rights of children and young people and those in, or at risk of, poverty. All of these issues support and complement each other.

Important steps have been taken in the preparation of the draft budget this year to ensure the Welsh language is appropriately considered. My department, as with all departments, were issued with guidance on assessing the impact on the Welsh language when preparing our draft budget proposals for 2015-16.

As part of the Integrated Impact Assessment, we considered all impacts in an integrated way. This included an assessment of the Welsh language considerations when making budget decisions.

Children's Rights

Similarly to the Welsh Language, children's rights is not a stand alone issue. It is also considered in conjunction with the impact on equality, poverty, sustainability and Welsh language. That is why we have published an integrated impact assessment alongside the budget.

The process of having due regard can range from thinking around the impact of decisions on children in the course of day-to-day work activity, through to the formal application of a structured impact assessment tool accompanied by a record of the outcome results.

As part of the line by line review of budgets I discussed the impacts of all options and budget changes with my officials, in terms of all cross cutting considerations. I hope this response is sufficient to provide clarification on your points raised.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Huw Lewis', is centered on the page. The signature is written in dark ink on a light background.

Huw Lewis AC / AM

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