



Eich cyf/Your ref  
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Ann Jones AM  
Chair, Children, Young People and Education Committee  
National Assembly for Wales  
Cardiff Bay  
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2 February 2016

Dear Ann,

Thank you for your letter of 19 January following the budget scrutiny session by the Children, Young Person and Education Committee on 13 January. 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 aligning objectives with spend**

Whilst difficult funding decisions have had to be made, as I stated in the Committee 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 Welsh Government's overall budget and its duration are mainly set by the UK Government. Over the past few years we have been given only short term, reducing budgets. We have, therefore, had to plan accordingly and react to circumstances as they are presented to us.

I have reviewed my budgets against my priorities and within the MEG budget envelope. We have worked with the sectors that have faced cuts to minimise the impact of those cuts wherever possible. Sectors will have completed scenario planning on future budget movements so that they can plan their activities, with the same constraints faced by Welsh Government. Your specific point on New Deal is answered later in this letter.

#### *2015-16 Resource DEL underspend*

The department was forecasting an underspend at period 8 which relates to non cash provision for Student Loans. It is the result of the introduction of the StEP forecasting model by BIS; the change in the discount rate from 2.2% to 0.7% by HM Treasury and also the freezing of the repayments threshold at £21k for Students with Plan 2 loans. This is expected to change again by the year end following revised forecasts of loans given out by the Student Loans Company.

Excluding the non cash the near cash was £2.1m underspent, this was due to a number of transfers that will be actioned at second supplementary budget. We are expected a break even forecast for period 10.

### **Targeting Funds at Deprivation**

As I said in Committee there are differences in the criteria of the pupil deprivation grant in Wales and the pupil premium in England therefore direct comparisons should be avoided where possible.

When the PDG was introduced as part of the Budget Agreement 2011 it provided support for all eligible children of statutory school age, i.e. from the age of 5 so not all children received funding in their reception year. As part of the Budget Agreement 2014, the scheme was extended to under 5s with an additional £3.8m in both years covered by the two-year Budget Agreement. This additional funding provided £300 for each 4 year old in reception. In line with our commitment to ensure that those most disadvantage children have access to high quality early education in their early years we chose to split the additional Early Years funding across children in as wide a range of provision as possible rather than concentrate it on those just in school settings.

### **Schools Challenge Cymru**

The outcomes of Schools Challenge Cymru continue to be monitored on a school by school basis including the needs of those schools going forward. Decisions about the longer term future of the Programme will be for the next Government.

### **Tripartite Programme of Reform**

#### *Physical literacy programme for schools*

Since 2001, the Welsh Government has invested nearly £30m to support delivery of PE – including over £3.6m in PLPS, and the £26m for the Physical Education and School Sport Project (PESS) which was led by Sport Wales and ended in 2014. The extensive range of resources and case studies developed through these initiatives will continue to be available to schools.

The key legacy from this work will be the sharing of good practice and case studies identified, which will be promoted via Hwb and our other networks, and publication by Sport Wales of the draft Physical Literacy Framework.

Moving forward our Pioneer Schools will consider the Physical Literacy Framework in the context of developing the new Curriculum for Wales and specifically the Health and Wellbeing Area of Learning and Experience (AoLE) to ensure alignment with the future direction of Successful Futures.

As a member of the Curriculum for Wales Strategic Stakeholder Group, there will be good opportunity for Sport Wales to share its unique knowledge and experience in helping to shape delivery of any further support Pioneer Schools may identify to support delivery of Health and Well-being within the curriculum.

#### *Techniquet*

Welsh Government officials are currently discussing draft 2016-17 delivery plans with Techniquet for their core Government funding. We expect delivery will continue to focus

on existing priority areas over the years ahead; including provision for disadvantaged communities, secondary level provision, and girls in STEM.

It should be noted that Techniquest does not deliver the school curriculum. Techniquest provides valued activities for learners and teachers which enrich the science and mathematics curriculum. Schools already have a number of options in this regard, as there are a number of STEM stakeholder organisations delivering excellent activities for schools in Wales. Many of these are not in receipt of core Government funding.

My officials will continue to work with Techniquest to ensure their schools provision remains a priority for our core funding throughout their business transformation process.

#### *New curriculum*

The figures I quoted in Committee are very early estimates of the funding required for the following two years of curriculum reform. We are determining the future costs as the work with Pioneer Schools evolves and that the estimates for future years are just that - estimates. Funding requirements will continue to be reviewed and future budgets reprioritised if necessary. The next Minister covering the education portfolio will be fully briefed to enable him/her to make appropriate decisions about future funding required to deliver the new curriculum and practitioner support.

### **Continuous Professional Development for teachers (the New Deal)**

#### *New Deal*

The New Deal was designed to support changes to the culture and framework within which education workforce identify and undertake professional learning to enhance their practice using existing resources and budgets. In his report, "Successful Futures" Graham Donaldson was clear that we need to support the workforce through the New Deal to enable them to develop their pedagogy and leadership practice to meet the expectations of the new Curriculum. The additional £5.65 million has been allocated to support Pioneer School working through the New Deal to develop the workforce for the new Curriculum so it is to cover additional aspects of the New Deal.

#### *Education Workforce Council (EWC)*

The predecessor to the EWC, the General Teaching Council was funded on the same basis as we are proposing for the EWC. However, sound financial management and in year monitoring of expenditure has meant that we have avoided any adverse impact on the remainder of the BEL through meeting any shortfall. We will continue to work closely with the EWC to ensure that this position continues.

#### *Initial Teacher Training (ITET)*

Some of the reform agenda for ITET is common with the developments required for the preparation for the new Curriculum through the New Deal. This includes priorities such as boosting research capacity, and greater involvement between ITET provision and our leading schools. This work has been built into the projected costs of the New Deal Pioneer programme but the benefit will support both the New Deal and the ITET reforms. We are confident that the reform programme can be met within the planned budgets.

### **Education Improvement Grant**

The rationalisation process which led to the introduction of the Education Improvement Grant (EIG) in April 2015 looked at a number of grant funding streams and their desired

objectives and not surprisingly the majority had a shared focus on improving the teaching and learning in the classroom and on our national priorities for schools.

In rationalising a number of individual grant funding streams and establishing the Education Improvement Grant for Schools, those legacy grants have in effect ceased. It will take time to transition into the new arrangements, but we must support the sector to think of the legacy elements in the context of the new EIG. That is why we are adapting our monitoring arrangements and expectations to reflect our key focus on improving educational outcomes for all learners.

We have an enviable national data set which tracks performance measures at the end of each key stage, and a wealth of information captured by consortia challenge advisers in their engagement with schools which informs business plans and target setting.

Schools, Local Authorities and their consortia are held to account in a number of ways, including by the Welsh Government in our review and challenge events, by Estyn in its inspections of schools, local authorities and the forthcoming inspections of consortia; through the national school categorisation system which determines the support schools should receive; through the national performance data we routinely publish; through the business planning cycle for the National Model (which goes through local authority regional advisory boards, joint committees and head teacher groups); and of course locally by parents, guardians, and our communities.

#### *Gypsy and Traveller learners*

The EIG continues to include provision for the support of ethnic minority and gypsy and traveller children. The flexibilities in the EIG enable local authorities to direct funding to areas of need and we know there is excellent work going on around Wales in regard to supporting young people from Gypsy and Traveller backgrounds. In addition to these new grant arrangements, the Welsh Government has recently – working with Show Racism the Red Card – launched a new education resource to help settle Gypsy, Roma and Traveller children in school and will shortly be delivering training events to improve these learners experience of education through the use of the resource.

Whilst some activities supported through the EIG have been in place for longer, such as the Foundation Phase, we must be clear that the EIG and the Pupil Deprivation Grant (PDG) are both Welsh Government grants and are both additional to the core funding provided by local authorities for schools. There is no suggestion that the PDG is plugging a gap in the EIG, but there is a close relationship between the PDG and some of the activities which the EIG support and they contribute to the whole package of support that is available to schools to help them deliver the necessary improvements for our learners.

#### **Welsh Language**

The £740k reduction to the Welsh in Education BEL will be achieved by reducing spend on the Welsh for Adults programme by £500k and the Twf project by £200k. The remaining £40k is achieved from savings made in the delivery of the Welsh language diagnostic tool.

The establishment of the new Welsh for Adults National Entity last year has led to a sea change in the way the area is administered, leading to efficiency savings which should reduce the impact of the cut. We are confident that this will help to protect front line services. The present Twf contract comes to an end in March 2016. The project will be re-contracted and modified in response to new requirements in the field, and this gives us the opportunity to reconsider how the service is provided in order to make efficiency savings. For instance, marketing activity in relation to the new “Twf – Cymraeg i Blant” contract will

become part of the Welsh Language Division's remit, in order to reduce expenditure and ensure the work is central to our plans to market the Welsh language.

The difficult decisions made enabled us to protect areas which supported the statutory education sector, such as practitioner training and the development of Welsh-medium teaching resources.

The three-year evaluation of the Welsh-medium Education Strategy is nearing completion which will influence future policy development from 2016 onwards. The outcome of this evaluation could have an impact on the future budget expenditure and requirements from 2017-18 onwards, that and a redirection of funding in year is a matter for the next Government.

## **Further Education**

The draft 16-17 budget shows no change in budget from 2015-16 and this will allow post-16 providers a period of stability and protect post -19 Basic Skills/ Additional Learning Needs provision as well as the statutory 16-18 provision.

We are also protecting those in greatest need of our help by focusing our adult learning provision on the delivery of adult numeracy, adult literacy, English for Speakers of Other Languages ESOL, digital literacy, and discrete provision for learners with moderate or profound learning difficulties.

Welsh Government officials are working closely with the post -16 sector to evaluate available options and to minimise the impact of any reductions on learning. This will be the case for any sector that may be impacted by reductions in funding. Also where possible Further Education Institutions are running part time courses on a basis of full cost recovery.

It is important that we offer a blend of vocational, academic and digital learning, informed by our Regional Skills Partnerships knowledge of their local areas. We need to ensure that we make best use of all our providers, 6<sup>th</sup> forms, Further Education, Work Based Learning and Adult Community Learning, playing to the strengths of each one, and being sufficiently flexible to respond to changes to the needs of industry.

We have a number of skills programmes being delivered as part of our skills implementation plan which are specifically targeted at helping unemployed people into work.

### *Financial contingency fund*

The most recent evaluation of the scheme was carried out between July and December 2012 and was published in July 2013. It can be found at the following link:

<http://gov.wales/statistics-and-research/evaluation-financial-contingency-fund/?lang=en>

## **Higher Education**

I recognise the important role of the Coleg Cymraeg Cenedlaethol in improving Higher Education provision for Welsh speakers. Although it is for HEFCW to determine how it allocates its resources, I will encourage HEFCW to continue to support the Coleg and Welsh-medium learning within the higher education sector at a level which maintains the current momentum.

My remit letter to the Council is currently being prepared and will issue in the next few weeks. However, I can say now that it will provide a strong steer to the Council on how the reduction in its funding should be applied including a continued focus on widening access initiatives such as part-time provision. I will expect the Council to have regard to those priorities in determining how it will allocate its resources.

The proposed reduction of £20m in HEFCW's revenue budget for 2016-17 is relatively small when compared with annual turnover of the sector of over £1.3bn. Furthermore, the reduction in HEFCW's funding will be balanced by an increase in the student support budget within the Welsh Government. A significant proportion of this funding will still be received by Welsh institutions. Welsh institutions which continue to gain considerably in terms of their income as a result of our tuition fee policy which among other things has allowed tuition fees to rise almost threefold since 2011-12. Since 2015-16 there has been an expectation that they will use some of this additional income to support vulnerable students and that they will take responsibility for funding activities that were previously funded by HEFCW through specific funding streams because the wider outcomes are important to Wales.

## **Impact Assessments**

### *Welsh Language impact assessment*

As I set out in the evidence paper, I again this year completed a line by line review of the budget. As part of this I considered the impact on Welsh Language of the options that I looked at. No separate impact assessment has been carried out on this budget as consideration has been given throughout the process.

This budget supports the Welsh Language Education Strategy, this is not just supported by the Welsh in Education budgets but from across the portfolio, for example: uplifts in FE funding for Welsh Medium, testing and examination in Welsh, Welsh Language GCSE support materials, continuing support for Coleg Ceneadleathol, Welsh for Adults, the modern foreign language policy of English and Welsh plus one.

### *Children's Rights*

As with Welsh Language Children's Rights are something that I have considered throughout the process of setting this budget. We are lucky in Wales that we are able to give children the life chances that they deserve.

Some examples are literacy and numeracy programmes supporting articles 28 and 29, encouraging young people to reach the highest level of education of which they are capable and developing each child's talents and abilities to the fullest.

Our work with third parties supports article 3, that all organisations concerned with children should work towards what is best for each child.

Our Welsh Language work supports articles 2 and 30, children should be treated fairly regardless of language and have the right to practice their own culture, language and religion.

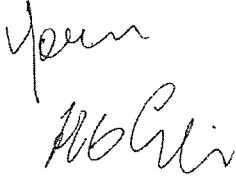
### *Wellbeing of Future Generations Act*

The principles and goals within the Act have been considered when setting this draft budget. Education and specifically the focus that this budget brings on literacy, numeracy and reducing the impact of deprivation on attainment enables people to fulfil their potential. Lower attainment levels have significant implications for

economic development and also impacts on individual wellbeing if people don't have the skills they need to succeed socially and economically.

The four purposes of education set out in Successful Futures and a Curriculum for Wales – A Curriculum for Life align directly with the goals set out in the Act for long term economic, environmental and social wellbeing.

I hope this response is sufficient to provide clarification on your points raised.

A handwritten signature in black ink, appearing to read 'Huw Lewis', written in a cursive style.

**Huw Lewis AC / AM**

Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills