

## **Welsh Government draft Budget 2017-18, Finance Committee Consultation**

### **Our response**

ATL Cymru welcomes the opportunity to respond to this consultation. We note that many of the issues reflected here will be unchanged from our previous comments on the budget. We have chosen to answer the most relevant questions.

1. What, in your opinion, has been the impact of the Welsh Government's 2016-17 budget?

The FE sector needs a fair, long term package in terms of funding.

The FE sector is facing an unprecedented funding crisis. With cuts of up to 10% in recent individual College budgets, the FE sector needs investment to safeguard the future of Wales. With the adult sector decimated by the 2015 budget, the 16-19 sector is 'not immune'<sup>1</sup> from the challenges and is facing an average of 6% cuts.

A huge amount of experienced staff have taken voluntary redundancy, with 865 full time equivalent jobs gone in the FE sector between 2012/13 and 2014/15<sup>2</sup>.

In April last year, Colleges Wales pulled no punches when it talks about the 50% budget cuts to adult learning:

*"With a 50% reduction in funding for part-time adult learning, Wales will have to brace itself for a workforce that has lower skills. Lower skills reap lower wages and affects health and wellbeing. All factors combined, there will be a negative impact on the nation's economy."*

Investment is needed now to ensure we have a skilled workforce for the future and that everyone can access the training they need to fulfil their potential.

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<sup>1</sup> [http://www.collegeswales.ac.uk/en-GB/steep\\_cuts\\_to\\_adult\\_skills\\_will\\_affect\\_wales\\_economy-728.aspx](http://www.collegeswales.ac.uk/en-GB/steep_cuts_to_adult_skills_will_affect_wales_economy-728.aspx)

<sup>2</sup> <https://statswales.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Staff-at-Further-Education-Institutions/fulltimeequivalentstaffnumbersatfurthereducationinstitutions-by-institution>

Welsh Government have released figures which showed that in 2014 /15 part-time learner numbers in FEIs fell by 9.7% and those in local authority adult and community learning have declined by 38%.<sup>3</sup>

In light of the recent developments, particularly the EU Referendum result, Reviews such as Hazelkorn need to be revisited to ensure a stable future for the FE sector in Wales.

2. What expectations do you have of the 2017-18 draft budget proposals?

Fair, long term funding solutions are needed, in order to ensure stability in the sector and enable schools and FEIs to provide the best possible education for Wales' young people.

3. How financially prepared is your organisation for the 2017-18 financial year, and how robust is your ability to plan for future years?

We have chosen to answer this question in relation to the education sector in Wales today. Ahead of the Assembly election we had a series of manifesto asks. The ask around funding is critical, and detailed below.

Asks:

- Fair funding for schools
- Use of the 'Ever 6' for Pupil Deprivation Grant (PDG) eligibility
- More money for school buildings
- Stop cuts to the Further Education (FE) budget

95% of respondents do not think enough money is invested in education in Wales.

The school funding gap between Wales and England was last reported in 2010 as £604 per pupil.<sup>4</sup> That means the average primary school is underfunded in Wales by nearly £118,000 per year, and the average secondary school by over £540,000.<sup>5</sup>

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<sup>3</sup> <http://gov.wales/docs/statistics/2015/151125-further-education-work-based-learning-community-learning-2014-15-provisional-en.pdf>

<sup>4</sup> [www.bbc.co.uk/news/uk-wales-12280492](http://www.bbc.co.uk/news/uk-wales-12280492) quoting from <http://gov.wales/statistics-and-research/local-authority-budgets-education/?lang=en>

<sup>5</sup> <https://stats.wales.gov.uk/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils>

Number of pupils divided by number of schools: primary schools = 195, secondary schools = 898 pupils per school.

Whilst the level of the funding gap can be disputed, ATL Cymru members know any funding gap means fewer opportunities for children and young people in Wales to fulfil their potential. This just isn't good enough.

The Pupil Deprivation Grant (PDG) must use the 'Ever 6' to ensure consistent eligibility and better planning. The pupil premium in England uses this tool<sup>6</sup> to aid eligibility, as it means that those pupils who have been eligible for support in the last 6 years receive support, not just those whose parents have returned a form this year.

The FE sector is facing an unprecedented funding crisis, and is increasingly expected to do more for less. With cuts of up to 10% in individual college budgets, the FE sector needs investment to safeguard the future of Wales. FE colleges faced a devastating 6% cut on average in their budgets in 2015/16.<sup>7</sup> The withdrawal of up to 50% of funding from adult provision<sup>7</sup> both in FE and work based learning has had a disproportionate impact on older learners, especially women.

As Colleges Wales said "These cuts are deep. Wales will feel their effects for a long time to come".<sup>7</sup>

4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)
- Welsh Government policies to reduce poverty, mitigate welfare reform and prepare for an aging population
- Sustainability of public services, innovation and service transformation
- Local health board financial arrangements
- Preparation for the UK to leave the EU
- Low carbon budgeting and preparing for the Future Generations Act

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Actual figures underfunded: Average primary school by £117,780 a year, and the average secondary school by £542,392

<sup>6</sup> [www.gov.uk/government/publications/pupil-premium-2015-to-2016-allocations/pupil-premium-2015-to-2016-conditions-of-grant](http://www.gov.uk/government/publications/pupil-premium-2015-to-2016-allocations/pupil-premium-2015-to-2016-conditions-of-grant)

<sup>7</sup> [www.collegeswales.ac.uk/en-GB/steep\\_cuts\\_to\\_adult\\_skills\\_will\\_affect\\_wales\\_economy-728.aspx](http://www.collegeswales.ac.uk/en-GB/steep_cuts_to_adult_skills_will_affect_wales_economy-728.aspx)

- Preparation for the impact of further devolution included with the Wales Bill
- Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced
- Scrutiny of Welsh language, equalities and sustainability

We strongly believe that education is the biggest single factor affecting life chances for people in Wales today. Without a good level of education for all, Wales will continue to see inequality and will be unable to mitigate any impact of Welfare changes.

In a post Brexit context the FE institutions of Wales face even great challenges which the Welsh Government must take a lead in combatting if Wales is to have a well educated and prosperous future.

5. The previous Welsh Government have highlighted that the Draft budget 2017-18 will be aligned with national indicators for Wales. - What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on preventative spending? - What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on reduction or eradication of poverty?

There is a national indicator in relation to young people who are not in education, employment or training (NEET) and yet FE institutions are not subject to the Wellbeing of Future Generations Act. It is our view that outcomes for these young people cannot be improved without investment in the FE sector – including a focus on those young people with additional learning needs (ALN). Disabled young people remain the amongst the highest group of NEETs.

6. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on preventative spending and, in particular, the area of health and social services?

Again, spending on education is clearly preventative spending.

7. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on reducing poverty and preparing for an aging population?

Education requires more funding. Not least a long term commitment to the PDG, more funding for the FE sector and a commitment to fully funded CPD across the education system for all staff.

9. What changes to allocations and priorities do you feel need to be reflected in the draft budget 2017-18 and subsequent years as a result of the vote to leave the EU?

In light of the recent referendum result, we believe clear and decisive support for the FE sector is needed, and that any groups set up should include representation from the education unions.

If you would like to read about our Put Education First campaign, in which one of our five key asks is for the WG to Invest in education, please see our website: [www.atl.org.uk/PutEducationFirst](http://www.atl.org.uk/PutEducationFirst)

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