

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



Llywodraeth Cymru
Welsh Government

Ann Jones AM
Chair Children and Young People Committee
National Assembly for Wales
Cardiff Bay
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22 October 2013

Dear Ann

Thank you for your letter of 17 October requesting further information following the budget scrutiny by the Children and Young People Committee on 16 October. I have set out below responses to the issues you raised and additional information as requested.

Literacy and Numeracy funding within the Curriculum and Assessment BEL

The majority of funding for literacy and numeracy falls within the Literacy and Numeracy BEL which stands at £7 million for 2014-15. However, there is specific funding of £4.8m in 2014-15 for literacy and numeracy within the £12.2m Curriculum and Assessment BEL to fund the National Support Programme (NSP). The NSP provides 'hands on' support to enable schools to implement the Literacy and Numeracy Framework (LNF) effectively. This became a statutory curriculum requirement from September 2013.

Further Education (FE) sub group

My officials and ColegauCymru have made arrangements to convene a small group of Principals and Finance Directors to discuss with them how best to protect learners overall, rather than any specific groups affected by the FE cuts. The first meeting of the sub group will be convened in early November. The Group will consider the likely implications of the reductions including the potential impact on learners and staff.

An equality impact assessment was completed for my department as part of the draft budget and was incorporated into the stand alone Equality Impact Assessment (EIA)

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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document published alongside the Draft Budget on 8 October. Within our EIA we recognised that as a result of our decision to protect provision for 16 to 18 year olds, there may be a disproportionate impact on provision for post-19 learners, particularly females, from reductions to post-19 learning.

Financial implications from education related legislation

The draft budget takes account of the current legislative programme announced by the First Minister.

Assessing the impact and costs of legislation on those it affects is an essential part of the policy development process. Standing Orders require any Bill laid before the Assembly to be accompanied by an Explanatory Memorandum, which include a regulatory impact assessment setting out the best estimates of:

- the gross administrative, compliance and other costs to which the provisions of the Bill would give rise;
- the timescales over which such costs would be expected to arise; and
- an outline of on whom the costs would fall.

Detailed costings have therefore been developed as part of the Regulatory Impact Assessment for the areas of the programme that fall to my department and in the main provisions can be met within existing MEG resources. Where discussions around financial implications are currently ongoing, appropriate provisions will be included in future budgets if required.

The information provided in the Regulatory Impact Assessment is reviewed throughout the Assembly consideration of Bills.

School Standards and Organisation (Wales) Act 2013

The School Standards and Organisation (Wales) Act received Royal Assent on 4 March 2013. The implementation costs remain consistent with those set out in the Regulatory Impact Assessment.

As part of its implementation and to streamline current processes, funding of £21.8m for school based counselling and school breakfasts has already transferred to local authorities via Revenue Support Grant (RSG) from 2013-14. The transfer of funding was included in last year's draft budget.

The Act will reform the statutory process for school organisation, with the benefit being that decisions can be taken at a local level wherever possible. Whilst the operation of local determination panels may result in some modest costs to local authorities, they will not be a mandatory element and local authorities will determine whether they should put in place such panels. It is expected that costs associated with operation of panels will be outweighed by efficiency savings resulting from a more streamlined process.

The school causing concern guidance is due to be published later this year and administrative costs for this will be met by my department's running costs.

The Act will also see local authorities being accountable for planning Welsh-medium provision by placing Welsh in Education Strategic Plans on a statutory basis from April 2014. To assist with the implementation of these duties, funding of £5.6 million is being maintained through the Welsh in Education Grant (within the Welsh in Education Action) to support local authorities in the production of their plans.

Further and Higher Education (Governance and Information) (Wales) Bill

I am confident that the proposed legislation will have the desired effect of reversing the ONS classification of Further Education colleges. Our aim is for a classification change from 1 April 2014.

My officials have been in contact with the Office for National Statistics (ONS) and as the committee will be aware through the scrutiny of this Bill, we have had written indications from ONS that based on the information received, the legislation will be sufficient to reverse the classification. We will need to inform the ONS of any amendments to the Bill that are under discussion. They will also be provided with a revised business case and proposals for changes to the Financial Memorandum.

My officials have received communication from HM Treasury that they are unable to change the accounting rules and would not be willing to mitigate the impact of a re-classification by changing budget allocations for the Welsh Government. If the legislation is not passed there will be significant financial implications for FE colleges as this committee will be aware. We have not built a contingency into this budget to cover this impact. Unfortunately, I do not have the luxury of doing so in this financial climate because any contingency would have to be balanced by reductions elsewhere.

Education (Wales) Bill

The proposed transfer of responsibilities (and funding) for post-16 assessment and provision to local authorities as a result of the *Education (Wales) Bill* has not been reflected in this draft budget.

A transfer of funding to RSG will take place to coincide with the introduction of new duties on local authorities as a result of the *Education (Wales) Bill*. Detailed discussions to agree the quantum and formula for distributing the funding to RSG will take place in January 2014, and will consider both historic and planned levels of activity. The transfer will be actioned from the Specialist Placements and Students with Learning Difficulties BEL within the Wellbeing of Children and Young People Action. The required transfer will therefore be incorporated into next year's draft budget once the overall quantum has been agreed.

Sustainable Development

Sustainability is our core organising principle. There is a focus on economic, social and environmental sustainability. We have a raft of indicators within Education and Skills to ensure that our policies are and remain sustainable.

The line by line review of the budgets that I and my officials undertook for this draft budget included the impact of decisions on sustainability, equality, the rights of the child and the Welsh language. Sustainability is not considered in isolation but is an integral part of the decision making process. It is about taking decisions whilst understanding the full impact.

Sustainability is an overarching concept, so it is not possible to pinpoint decisions specifically made because of sustainability. I would not expect any proposals to be put forward that had a negative impact on sustainability. This budget has been all about prioritising investment in areas that have the most positive impact.

As an example, our Youth Engagement and Progression Framework Implementation Plan takes into account the core principles of sustainable development which were incorporated throughout its development. There are clear social and economic impacts that the Plan will

contribute to. The development of a consistent and effective approach to early intervention, targeted supported and increased participation in education, training and sustained employment will help to increase wellbeing, overcome generational issues, and embed education, training and employment trends for generations to come.

Similarly, our 21st Century Schools Programme aims to deliver sustainable school buildings. We will continue to work with local authorities to ensure that all new school buildings capital projects meet the Building Research Establishment Environmental Assessment Method (BREEAM) 'excellent' standard. The standard ensures best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance. Thirty-five transitional projects will achieve this by 2014-15.

Equality Impact Assessment

Impact assessments including the core principles of sustainable development are an essential part of policy development and are integral to the Welsh Government's programme and project management principles. Underpinning our equality impact assessment was a focus on ensuring that our decisions are sustainable.

I trust that this response is sufficient to answer your additional questions.

Best Regards



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