



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

**Y Pwyllgor Plant, Pobl Ifanc ac Addysg
The Children, Young People and Education
Committee**

**Dydd Iau, 23 Hydref 2014
Thursday, 23 October 2014**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

**Aelodau'r pwyllgor yn bresennol
Committee members in attendance**

Andrew R.T. Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Suzy Davies) Welsh Conservatives (substitute for Suzy Davies)
Keith Davies	Llafur Labour

Paul Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Angela Burns) Welsh Conservatives (substitute for Angela Burns)
John Griffiths	Llafur Labour
Ann Jones	Llafur (Cadeirydd y Pwyllgor) Labour (Chair of the Committee)
Sandy Mewies	Llafur (yn dirprwyo ar ran John Griffiths) Labour (substitute for John Griffiths)
Lynne Neagle	Llafur Labour
David Rees	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Simon Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Kate Cassidy	Cyfarwyddwr Cymunedau a Threchu Tlodi, Llywodraeth Cymru Director for Communities and Tackling Poverty, Welsh Government
Jo-Anne Daniels	Cyfarwyddwr Seilwaith, Cwricwlwm, Cymwysterau a Chymorth i Ddysgwyr, Llywodraeth Cymru Director of Infrastructure, Curriculum, Qualifications and Learner Support, Welsh Government
Lesley Griffiths	Aelod Cynulliad, Llafur (y Gweinidog Llywodraeth Leol a Threchu Tlodi) Assembly Member, Labour (Minister for Local Government and Tackling Poverty)
Julie James	Aelod Cynulliad, Llafur (y Dirprwy Weinidog Sgiliau a Thechnoleg) Assembly Member, Labour (Deputy Minister for Skills and Technology)
Huw Lewis	Aelod Cynulliad, Llafur (y Gweinidog Addysg a Sgiliau) Assembly Member, Labour (Minister for Education and Skills)
Huw Morris	Cyfarwyddwr Grŵp SAUDGO, Llywodraeth Cymru Huw Morris, Group Director, SHELL, Welsh Government
Martin Swain	Dirprwy Gyfarwyddwr, Plant, Pobl Ifanc a Theuluoedd, Llywodraeth Cymru Deputy Director, Children, Young People and Families, Welsh Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Marc Wyn Jones	Clerc Clerk
Gareth Rogers	Ail Glerc Second Clerk

Sian Thomas

Y Gwasanaeth Ymchwil
Research Service

*Dechreuodd y cyfarfod am 09:33.
The meeting began at 09:33.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Ann Jones:** Good morning and welcome to the Children, Young People and Education Committee. May I just cover the usual housekeeping rules? If you have your mobile phones or any electronic device with you, make sure that they are on silent mode and, especially if anyone is using an iPad, please make sure that the 'ping' cannot be heard, as it starts to grate slightly. We are not expecting a fire alarm, so, if there is an alarm, we will take our instructions from the ushers. The committee operates bilingually, as we know, so translation facilities are available. It is channel 0 for amplification of the language being spoken and channel 1 for translation from Welsh to English.

[2] We have had apologies this morning from Bethan Jenkins, Suzy Davies and John Griffiths. Sandy Mewies is substituting for John Griffiths this morning. We are delighted to have you with us, Sandy, and thanks very much for agreeing to step in.

09:34

Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2015-16: Sesiwn i Graffu ar Waith y Gweinidog Welsh Government Draft Budget Proposals for 2015-16: Ministerial Scrutiny Session

[3] **Ann Jones:** We have quite a full agenda today. Our first item is a budget scrutiny session with the Minister for Communities and Tackling Poverty, Lesley Griffiths. We have a number of questions. Lesley, could I ask you to introduce yourself and your team and then we will go straight into questions, if that is okay?

[4] **The Minister for Communities and Tackling Poverty (Lesley Griffiths):** Yes. I am Lesley Griffiths, the Minister for Communities and Tackling Poverty. On my left is Kate Cassidy, director for communities and tackling poverty, and on my right is Martin Swain, the deputy director for children, young people and families.

[5] **Ann Jones:** Thanks very much. We will move into the first set of questions, which is on the children's rights impact assessment. Simon will start.

[6] **Simon Thomas:** Weinidog, mae'r gyllideb hon wedi cael ei gwerthu, neu'i hyrwyddo, fel cyllideb sy'n ychwanegu arian at iechyd ac sy'n amddiffyn gwariant ar addysg. Yn y cyd-destun hwnnw, beth yw'r effaith yn benodol ar ddarpariaeth i blant a phobl ifanc? Rydym yn gweld toriadau yn y gyllideb yn benodol ar hawliau plant; pa fath o effaith fydd y gyllideb yn ei chael ar y rhan hon o'ch cyfrifoldebau?

Simon Thomas: Minister, this budget has been sold, or promoted, as a budget that adds funding to health and protects expenditure on education. In that context, what is the impact specifically on provision for children and young people? We see that there are cuts, for example, in the budget specifically on children's rights; what kind of impact do you think the budget will have on this part of your responsibilities?

[7] **Lesley Griffiths:** Diolch, Simon. The children, young people and families budget has

been largely protected, as you can see. In particular, we have maintained the planned increase in the Flying Start revenue budget, and we have obviously increased the capital allocation for it also. For the whole of the Welsh Government budget, the assessment that was done for the programme for government showed that 17% of the entire Welsh Government budget went on supporting children, families and deprived communities.

[8] **Simon Thomas:** So, that would include education, would it?

[9] **Lesley Griffiths:** That would include everything. That is the entire Welsh Government budget—17% of it. Obviously, health and education are key areas for children and young people, and there are very important links between both of those and our Flying Start and Families First programmes, which are the two very large preventative programmes in my portfolio. By protecting budgets in the areas of health and education, programmes that have a bigger impact on low-income households and make a contribution to tackling poverty, and child poverty in particular, are very well supported.

[10] **Simon Thomas:** Rydych yn sôn am yr asesiad o'r gyllideb gyfan; a allwch esbonio mwy am y broses asesu? Rydym yn ymwybodol bod gofyniad o dan y Mesur Hawliau Plant a Phobl Ifanc (Cymru) 2011 ichi dalu sylw dyledus i'r pwnc hwn. Mae angen gwneud asesiad ar gyfer yr iaith Gymraeg, hefyd. Fodd bynnag, deallaf fod asesiad mwy integredig wedi cael ei gynnal y tro hwn. Beth yn union yw'r broses honno?

Simon Thomas: You mentioned the assessment of the whole budget; can you explain more about that assessment process? We are aware that there is a requirement under the Rights of Children and Young Persons (Wales) Measure 2011 for you to pay due attention to this subject. There is also a need for an assessment for the Welsh language. However, I understand that a more integrated assessment has been undertaken this time. What exactly is that process?

[11] **Lesley Griffiths:** We had a full integrated impact assessment of the draft budget, which included the impact on—particularly looking at it for my portfolio—protected characteristics, for instance, children and the Welsh language. Each department contributes to that, not just my department. That was the whole integrated impact assessment. I know that the document to support that was published at the time of the draft budget.

[12] **Simon Thomas:** Beth yw pwrpas, neu effaith, y math hwnnw o asesiad? A oes modd ichi ddangos i ni yn y gyllideb bod newid neu bod rhywbeth wedi deillio o'r asesiad hwnnw, ynteu a yw'n ffordd i bob adran dicio'r bocs?

Simon Thomas: What is the purpose, or impact, of that sort of assessment? Is there a way for you to show us in the budget that there has been a change or that something has stemmed from that assessment, or is it a way for each department to tick the box?

[13] **Lesley Griffiths:** It is a way of ensuring that Ministers are having due regard to all the parts—the different impact assessments that have to be done. It shows that sustainable development, for instance, is being looked at in the way that it should be and that the decisions taken reflect the five key principles, for instance, of sustainable development. Obviously, equality is really important, and it shows that all Ministers have given due consideration to that in the decisions that they have taken. I do not think that it would necessarily alter decisions, but it would show that these decisions have been done in a considered manner.

[14] **Simon Thomas:** Ym mha ran o'r broses y mae hyn yn digwydd? A ydych chi, fel Gweinidog, yn derbyn cyllideb ddrafft i'w hystyried ac yn dweud 'Mae'r gyllideb hon yn edrych yn iawn, ond ble mae'r asesiad?'

Simon Thomas: In what part of the process does this happen? Do you, as Minister, receive a draft budget to consider and say, 'This budget is looking okay, but where is the assessment?' and the assessment comes

ac mae'r asesiad yn dod ar wahân, ynteu a ydych yn gwneud eich asesiad yn gyntaf ac yna'n dweud 'Lluniwch gyllideb yn ôl yr asesiad hwn'? Ble yn union mae'r asesiad yn digwydd yn y broses? separately, or do you make the assessment first and then say 'Form a budget according to this assessment'? Where exactly does this assessment happen in the process?

[15] **Lesley Griffiths:** I am trying to remember, because I was reshuffled. [*Laughter.*] I am trying to think which part of the budget—. I think that it was done—. I do not think that it was done before, but I might have to send a note on that and I would have to stand corrected on that. Is there anything that you can say on that?

[16] **Ms Cassidy:** Just to add that, obviously, the process happened in stages. So, first of all, there was an overall decision about resources and which areas should be protected, such as these budgets. Then, within that area, there were detailed discussions with officials looking at the potential impacts of the different choices that could be made within those budgets. So, for example, within our portfolio the decision to move some capital funding from our general community facilities programme into the Flying Start programme was a clear move towards prioritising facilities that were going to benefit children and families most. That is just one example, but there were those discussions across the piece, with officials in the equality division taking part in those discussions with officials across the Welsh Government.

[17] **Simon Thomas:** Thank you for that, because what I am trying to get at in all of this is the balance that you can strike as a Minister between preventative spend and reacting to situations, if you like, or even just delivering on promises that were actually made three or four years ago in terms of Flying Start that may no longer be relevant. I am not saying that they are not, but they may no longer be relevant. So, what it is the assessment process that allows you and enables you as a Minister to make those decisions? If I may just give an example, we saw on Monday the publication of the Social Mobility and Child Poverty Commission report, showing that we still lag behind in Wales in terms of tackling child poverty. It is a UK problem as well but we are looking at the Welsh budget here. We are lagging behind. We are not on target to meet our targets, so when you are looking at the overall spend in your department, are you able genuinely to use these assessment tools to divert funding to a more preventative position or are you just smoothing over the cracks?

[18] **Lesley Griffiths:** I think that you can. I think that the example that Kate just gave of the funding being moved—now it is all one department—from—. Well, I actually only have one capital budget, but the funding was moved from the community facilities programme into Flying Start to support the programme for government commitment to increase Flying Start, and we need to have the most appropriate settings and we want to get those appropriate settings out there as soon as possible to make sure that we fulfil the number. You mentioned the UK Social Mobility and Child Poverty Commission. It was not just Wales where it was pointed out that the 2020 ambition is going to be very difficult to meet. It is hard to—. I said in the Chamber yesterday that child poverty is neither acceptable nor inevitable. Certainly, the report that came out this week is going to help me to look at the revised child poverty strategy. We are going out to consultation next month. So, it is something that I have just picked up. We had the child poverty strategy for 2011 to 2014. I am able to see what has been accomplished. Obviously, more needs to be done. So, I think that that report has helped us.

[19] There is some flexibility, and Flying Start is perhaps a good example. I was talking with Martin about how we can look at different aspects of Flying Start and move the funding. So, for instance, if childcare in one particular area of Wales was not being taken up in the way that we would want it to be, I would want to know why that was and why that offer—. You know, was it that the information was not getting out to the right families? Why would that offer not be taken up? So, there is some flexibility, but, clearly, we have to fulfil our commitment on Flying Start.

- [20] **Simon Thomas:** I think we might be on to the next set of questions.
- [21] **Ann Jones:** Yes, we are moving into those. However, Sandy, did you have something on this—
- [22] **Sandy Mewies:** I wanted to move on to Families First, if Flying Start is finished.
- [23] **Ann Jones:** Well, no, we have not got to—
- [24] **Sandy Mewies:** Okay, that is fine.
- [25] **Ann Jones:** I will fetch you back in in a minute.
- [26] **Sandy Mewies:** I realise that I am an interloper—
- [27] **Ann Jones:** No, no. It is quite difficult, because I know that it is all going to be integrated, but we have some specific questions around Flying Start, Families First and child poverty. It is difficult to try to break them down. Are you happy, Simon?
- [28] **Simon Thomas:** Yes.
- [29] **Ann Jones:** Shall we move to Flying Start, Paul?

09:45

- [30] **Paul Davies:** Minister, as you know, the national evaluation of the impact of Flying Start was published back in December 2013. I think that the report made it absolutely clear that there was no statistically significant difference between Flying Start and non-Flying Start areas in terms of child cognitive and language skills, their social and emotional development and their independence. Can you explain, therefore, why the Government has decided to spend £83.8 million on the Flying Start programme in 2015-16, given that evaluation, which shows that, statistically, there is no significant difference between Flying Start areas and non-Flying Start areas?
- [31] **Lesley Griffiths:** My take on the evaluation—it is something that I have looked at since coming into portfolio—is that it clearly demonstrates that the programme is having a positive impact, and it is really important that we commit the necessary funds so that we can complete the expansion of the programme. I think that the evaluation also suggested that outcomes for families living in Flying Start areas may now be on a par with the outcomes of families in less disadvantaged areas. I have only visited one—I opened a new Flying Start setting in Risca a couple of weeks ago; that is the only Flying Start visit that I have done up to now. Some of the families there were saying to me that it had been life-changing. It is very hard to evaluate and—. Somebody said to me about value for money, which is not a phrase that I particularly like in looking at these preventative programmes. However, I do not think that we are going to see the long-term impacts of Flying Start for probably 15 years, until the cohort that is having Flying Start support now comes out of school. If you look at language development, for instance, you can see the improvement in language development. Parents also report massive improvements in the health and wellbeing of their children.
- [32] **Paul Davies:** You say that it is having a positive impact but, on the other hand, as a Government you are quite clear in saying that there are no data to support that. How is it having that positive impact?
- [33] **Lesley Griffiths:** For the reasons that I have just said. These are high-need families

that we are supporting and helping. It is difficult to evaluate social policy. I will bring Martin in, who might be able to say a bit more, but I think that it is very hard to be able to evaluate it. It is a massive programme. If you could do a smaller study of 50 families or whatever, then you would be able to evaluate it much better than we can evaluate such a big programme. The evaluation that we have had enables us to revise guidance, for instance. I mentioned childcare; if an offer was not being taken up in a specific area, you could target that area, you could revise the guidance, you could take a look and you could work with the local authorities to see what more needed to be done. I will bring Martin in.

[34] **Mr Swain:** I think that you mentioned cognitive development in particular. It is worth mentioning that the evaluation was always going to struggle around that area, because of the data not being collected before the children started Flying Start; they were not measured for cognitive development. However, in Welsh Government we collect national statistics, because we test children in Flying Start at age two and age three. In the second bulletin that we released this year, you can see that, at age 2, compared with last year, we have seen an improvement of 2%. The target that we have is 5%. It is a challenging target, but we are seeing an improvement at the age of two. At age three, it had stayed the same, but I think that we have to be careful regarding families coming into Flying Start in expansion areas and those in the stable areas, because you can have families coming in when their children have gone past the age of two and being tested at the age of three when they have only had around six to nine months' worth of exposure to Flying Start services. Cognitive development is a really tough thing to measure. We have a tool that does it, and, as I say, for the two year olds we are seeing an improvement. However, the evaluation was never going to nail that; it was not set up to do so. As the Minister says, there are elements of the evaluation, particularly around high-needs families, where there is a real impact. Considering the chaotic position that those families are in, that is a really big impact for a problem that has probably only been worked on for a couple of years.

[35] **Lesley Griffiths:** I did ask when I came into portfolio how we could get a better evaluation, and I was told by Kate that we would have to have a barcode on every child and parent that we could then scan. It is really difficult to do. Even just collecting data would cost so much money—to get data on the different elements of it—that I prefer to see that money in front-line services.

[36] **Paul Davies:** I know that you do not like the phrase 'value for money', but it is important, of course, as a Government, that you get value for money on behalf of the Welsh taxpayer and that we do see real improvements and real outcomes. How can you, therefore, assess value for money if there are no data available and you cannot really measure the outcomes?

[37] **Lesley Griffiths:** When I say I do not like 'value for money' I mean in terms of these sorts of preventative programmes, because how do you measure value for money? If you stop 10 children—you have Flying Start and Families First; I know that I am doing both, but they are big programmes—from going into care, is that value for money? For me, it is about stopping 10 children from being in really harmful positions. So, it is very difficult. I know what you are saying, and it is absolutely right that public money is spent appropriately et cetera, but it is very hard, when you are talking about these sorts of children and these sorts of families, to define value for money.

[38] **Paul Davies:** I note from the budget that £4.85 million has been put forward in the capital spend. Can you just explain that? Is that as a result of the capital programme not progressing as planned in this current financial year?

[39] **Mr Swain:** I can deal with that. With any capital programme, you have slippage of projects from one year to the next and challenges when we get on site. You must bear in mind

that this is a capital programme across 22 local authority areas, and in excess of 200 projects that we are looking at, and you just cannot foresee problems, particularly with large projects, as soon as you get on site. Site conditions mean that sometimes we have to put more money in; sometimes the conditions are that bad that we have to move sites. It is also worth bearing in mind that, with some of the communities that we are working in with Flying Start, there is just no infrastructure there and we are starting from scratch. We have had a very fluid programme and we have been very flexible with local authorities in terms of working with them, but ultimately, with that number of projects on a national scale, you will always have movement across financial years. What we are making sure of is that we have sufficient funding to complete the settings so that the numbers of children can get into them next year.

[40] **Paul Davies:** You mentioned slippage. So, there have been major problems then in terms of capital programmes this financial year. Is that what you are saying?

[41] **Mr Swain:** There are lots of problems with lots of the projects and a lot of it is due to site conditions and a lot of it is to do with the fabric of the buildings. Sometimes it is to do with negotiations that are taking place between a local authority and another organisation that actually owns the building that we want to go into. So, on a number of occasions, we have negotiated to take a community building and, at the last minute, the organisation that owns it has pulled out. These are very common issues for capital programmes, but this is a small capital programme in the context of how much capital Welsh Government spends. However, the complexity of it, because of the number of projects, and the timescale, is really challenging.

[42] **Ann Jones:** I have a number of people who want to come in, so you have obviously said something that has triggered a number of questions. [*Laughter.*] I have Simon first and then Keith, and then I will come back to Paul afterwards for the last one.

[43] **Simon Thomas:** It is just a more basic question, really. Why do you need a capital programme for Flying Start? Flying Start is a programme, which, if it is successful, will not continue. Capital is for a long period of time. You just mentioned that some of these communities will not have facilities. That may or may not be the case. I am sure that you can give me examples of where that is the case, but I am also aware of Flying Start facilities being constructed or refurbished in areas where, 100 yards down the road, there is a community facility. You ask, sometimes, why is it not possible for local authorities—and I mean authorities in the wider sense of the word; a community asset here and a community asset there—to co-ordinate this better and get a better result for your limited capital programme. Are you concerned about this at all? It is something that you can see on the ground.

[44] **Lesley Griffiths:** Certainly, it has not been an issue that I was greatly concerned about. I am looking at where the different sites are, et cetera, particularly going forward. I know that there was an additional bidding round done in November last year. On the decision to put the extra funding in, I think that my predecessor thought that that additional funding would be needed, because we do need the infrastructure there to be able to double the number of children receiving Flying Start.

[45] **Simon Thomas:** What I am really asking is: what assessment are you making of the infrastructure that is already available? Are you just trusting your local partners, or are you being a bit more proactive and saying, ‘Hang on, mate, you have a community hall here; use this for your Flying Start’?

[46] **Lesley Griffiths:** I know that certainly the one that I opened in Risca was in a school, and I know that there had been some discussions around that to identify that place. So, I am sure that there are assessments going on. Perhaps Martin can say a bit more.

[47] **Mr Swain:** When we set the programme up, we were very clear that we would have limited funding, and that we wanted authorities to look at all possible options, including using space in schools, primary care, community buildings, and we required them to come through with a strategic business case for their programme overall. We assessed that, but we are reliant on them at a local level making an assessment on how they can best use the funding. It is the case that some communities just do not have anything, and we have to build new, otherwise we have to pull out of that area, and that goes against the targeting principle. We would require huge resource within my team to assess locally whether there were other facilities, because we would have to rely on them doing it. As I said, there have been challenges as well, where there are community buildings and the organisations that run them just will not enter into negotiations with us and with local authorities. That is frustrating, because as you say, we are building here and there is a facility nearby. My priority is to get the settings in place, working with local authorities. If an organisation that owns that building just will not enter into discussions with us, we have to carry on with our work.

[48] **Lesley Griffiths:** I have to say that in some parts of Wales, where we have the Flying Start setting, that is the only setting for that type of activity in the area.

[49] **Keith Davies:** My question is about the data that are available or unavailable. You are exceeding your targets, we know that, but do we have any idea of the percentage of children in a Flying Start area who do not get involved with Flying Start?

[50] **Mr Swain:** We would have data on the numbers of uptake of the various services. So, we would go from a health visitor caseload, and from the caseload we would be able to assess how many of those families are accessing childcare, for example, how many health visits they are having, whether they have enrolled in parenting programmes, and whether they are undertaking the language and play sessions. So, we would have those data. In terms of families who are eligible for Flying Start in an area, who are not taking up the services, it is very difficult, because, ultimately, until they engage with our service, they are not on our dataset.

[51] **Keith Davies:** Yes, but the health authority would have those data.

[52] **Mr Swain:** It possibly would.

[53] **Keith Davies:** I am thinking that there is no comparison, then, of Flying Start areas. In some areas, there would be a very high percentage of families getting involved, and in other areas, not such a high percentage.

[54] **Mr Swain:** It is possible that the health authority would have it. It depends on the level of engagement with the generic health visiting service. There is nothing to compel a family to engage with a health visitor. So, as soon as a child is born, they can go off the health radar unless they are engaging with services. The way that we operate is that, within an area, we will do all that we can to recruit all of the families that are eligible with the age of children who are eligible for Flying Start, but some families will not engage, regardless of how much—

[55] **Keith Davies:** That is what worries me.

[56] **Mr Swain:** That part of the programme learning, and certainly the evaluation on high needs families in particular, was hugely valuable, because what that said is, for those families, do not try to get them into a clinic environment or into a setting environment, it has to be in the home. So, for high-needs families, we are now telling our health visitors, 'You have to target in-home visits: that is how you engage. It may take you six months, it may take you nine months, but that's the only way you'll engage'.

[57] **Ann Jones:** I have Lynne, then Aled and we still have to come back to Paul. I know that Sandy is patiently waiting for Families First.

10:00

[58] **Lynne Neagle:** Very quickly on the capital, the childcare offer is a significant offer to parents. I am assuming that that drives the capital requirement to a large extent, because you cannot just slot children in anywhere. If you are going to offer a childcare facility, then there will have to be a certain amount of space and a certain amount of amenities. To what extent is that driving the capital programme?

[59] **Lesley Griffiths:** That is one aspect that obviously has to be considered. It is less than £5 million, but it is a significant amount of money. We have 70 live projects at the moment. Within the next six months, I want to see that go up to 90, to make sure. We are well ahead of target. We have clearly demonstrated that we have got 31,000 out of the 36,000 and that is three years in. But, it is really important, as you say, to have the correct infrastructure. Just saying, 'Right, we want to double the number of children supported by Flying Start to 36,000', without putting the capital in would have been completely wrong. Those assessments are done.

[60] **Ann Jones:** Aled briefly, then I will come back to Paul for his last question.

[61] **Aled Roberts:** It is basically just picking up on Keith's point. You would think, with an integrated system, given the point that you made earlier on wanting to know why take-up rates were different in different areas, that there will be an assumption that, in an integrated approach, the health authority would hold the data, because it certainly does, and it red flags families who do not engage with it. However, the national evaluation again says that children in Flying Start areas are no more likely to have been referred to or to have received help from professionals than those in matched comparison areas. So, it is again this situation where the money is going in. How do you take up these comparisons when, clearly—and we heard it in our inquiry—there are some authorities where performance is a lot better than in other authorities? What is the level of oversight that you have, given the amount of resource that is going in?

[62] **Lesley Griffiths:** We now have a system of continuous improvement of the programme. We have the account manager process and we have agreed to have a quality improvement plan with each local authority. That is something that we can look at so that we can collect that information and that will inform the process as it goes forward. On the point that Keith raised, and what Martin has just said, that the health authority could have that information—that is something I really need to look into.

[63] **Ann Jones:** It would be helpful, I think. Okay, Paul we will come back to you for your last question and then move on.

[64] **Paul Davies:** I note from your paper, Minister, that you state that the expansion of Flying Start will create approximately 740 jobs. Can you expand on that? Can you clarify that? Does it refer to jobs actually delivering the programme or is that job expansion as a consequence of the programme?

[65] **Lesley Griffiths:** It is a bit of both, really. We know that we have 400 full time equivalent health visitors for a start. We also support a lot of jobs. We do not directly employ them, but there are a lot of jobs that we support, particularly in the third sector where we have people providing parenting courses. If I was in the Department for Economy, Science and Transport, I would probably include construction jobs as well, because that is something that

we are providing also. On midwives, we now have 18 midwives working specifically with Flying Start in 18 out of the 22 local authorities. I would want to see all 22 local authorities having that connection and that collaboration between midwives, so that we start it before birth. That is a really positive aspect. Due to the number of settings that we have and the numbers of children who are accessing the services, we are not able to give you a definite number. It is a bit of both, really. There are people we are directly employing and people we are supporting.

[66] **Paul Davies:** But, you have given a definitive number here. So, what have you based that on?

[67] **Lesley Griffiths:** I asked that question before, because I wondered how we got to 740 jobs. As I say—

[68] **Simon Thomas:** I am glad you are asking questions. [*Laughter.*]

[69] **Lesley Griffiths:** I asked that this morning because I thought, ‘Where did that number come from?’ Certainly, we can quantify the 400 health visitors, but I cannot quantify the other jobs. So, I will hand you over to Kate.

[70] **Ms Cassidy:** I was listening to the answer. [*Laughter.*]

[71] Obviously, we can do some calculations in relation to childcare, because there are ratios of childcare workers to children in the settings. So, we can do a calculation from that. There are staff who provide parenting classes, so we can do a rough calculation from that, and there are other staff who provide speech and language therapy and support the early language and play provision. So, it is an approximate count—we did say, ‘approximately 740 jobs’. It is an approximate calculation based on all of those ratios of the numbers of people that you would expect to be supporting those activities, or indeed, in some cases, that are legally required to be there to support that number of children.

[72] **Ann Jones:** Sandy on Families First.

[73] **Sandy Mewies:** The reason that I pricked up my ears earlier on was the key word ‘evaluation’, because evaluation, in many ways, is evaluation. However, I was wondering about Families First. I think that most people would agree that any sort of evaluation of a programme like Families First, which is innovative in as much as it works with whole families rather than individuals, is going to be difficult. I imagine that there are huge differences in the progress that they both need and can make. I have been wondering how you can benchmark progress in this way.

[74] In view of what people have said since then, I certainly recall, during my days as a chair of social services, that one of the big problems within local authorities was that the big departments like education and social services did not collect statistics in ways that were similar and, therefore, comparing was very difficult. Outside that, comparing local authority statistics with health statistics had the same problem. The data collected now by the people involved in this is a very broad mix, I am sure, and that is what makes it a challenge, so I would be interested to know how you think you are overcoming that in evaluation.

[75] Minister, you said something earlier on about what is happening now, in evaluation, informing what happens after 2014. One of the statistics that I noticed in evaluation was that 53% of the team around the family cases had a successful outcome—I do not think that 53% is low; I think that, in the early stages, it is probably quite high. However, families with disabilities were not as satisfied with the outcomes. How did you reach that conclusion? Given that you were talking about using evaluation to inform what is happening next, how

will you try to give guidance to see that that, specifically, is improved?

[76] **Lesley Griffiths:** I go back to the answer that I gave to Paul, I think, about how you measure value for money and how you evaluate such large programmes to show that the programme is doing what we set out for it to do. I agree with you about the 53% success rate in the closed cases; I think that that is really good. It does not mean that 47% were unsuccessful. There are lots of reasons why people disengage from the programme, which, again, is something that we need to look at.

[77] Families First and the team around the family model were a very different change in culture and support that we were offering to these sometimes very chaotic families. What Families First leads to, I think, apart from the example I gave—which was that if you stop 10 children from going into care or from being harmed, to me, that is value for money, not just on the value-for-money side, but on that child's life—is a lot of cost avoidance down the line, as well as providing a much better opportunity for that family and that child.

[78] In response to the evaluation, I know that we are in the final year of the evaluation that we have with two companies. I will ask Martin to say a bit more about the evaluation process in a minute. The issue around disabled children, I think, is something that concerns me. Certainly, five weeks into the portfolio, disabled families and disabled children are something that I am hearing a lot about from the housing side of the portfolio, which has now been brought in with communities and tackling poverty. I think that practitioners need to be more aware of what is being provided for disabled children and families with disabled children. Certainly, the evaluation that I have looked at shows that that is the case, but clearly it is not as prominent as it should be. So, I think that we need to do some work around that. I also think that there needs to be some value demonstrated that services for disabled children are being integrated into mainstream services as well, and other provisions also. I will ask Martin to say a bit more about evaluation.

[79] **Sandy Mewies:** Before you do, may I just ask something? Having recognised the problem, how can you influence what happens next?

[80] **Lesley Griffiths:** We can revise the guidance that we give to local authorities. We demand that local authorities do certain things as they make their plans for the following year. So, going into 2015-16, I can have a look at that issue, because it obviously is an issue. It has been highlighted with me very early. So, we can revise guidance, and we can make sure that the services that we need to be provided for these families are there.

[81] **Mr Swain:** I will just pick up on the disability issue, because we do ring-fence within Families First. The money can be spent only on families with disabled children, so there is an element of the programme that is protected and we will not allow authorities to spend that money on anything else.

[82] In terms of measuring impact, which I think you mentioned at the start, we were very clear, when we set up Families First, that it was an anti-poverty programme so we wanted it to help people to get into work, to sustain employment, to improve skills, and to reduce inequalities. They were the headline outcomes. What we agreed with local authorities was that we would have, in a sense, 14 indicators around those. Families First will not do all of that and that is the problem with the evaluation of programmes like this. It is the attribution. So, unless you put everything in a bubble and say that it is only Families First that is going to that family, can you really get true attribution to the programme? It is the contribution that it makes, and that is what we are trying to measure.

[83] As the Minister says, we have just started the final year of the evaluation. What we have said to the evaluators is that we do not want any more process evaluation, and that this

has to be about the outcomes and the impact. I have to say that there are some very challenging discussions with them because they tend to bring different economists each time and none of them seems to have the answer around trying to get value for money from social policy programmes. This is not unique to Families First. This is something that Governments across the UK are battling with, and even internationally. It is extremely difficult when you scale up programmes to the national level to evaluate the impact. All the evidence that underpins this, most of which is from the US, is actually on very small, localised programmes. You can do it then because you are talking about 50 families and you contact them. When you start scaling up, for example, to Flying Start, where we have 36,000 families—and you will have transient numbers, because people come into the programme and come out of the programme—it is extremely difficult at that national level to pin impact down. However, that is the focus this year.

[84] **Sandy Mewies:** On data collection, I mentioned to you the problems that I have come across in the past, where there did not used to be any similarity at all sometimes, and data that was supposed to reflect the same things did not. That was within local authorities and comparing with health as well. Is that still a difficulty?

[85] **Mr Swain:** Not within these programmes. We have a national dataset for Flying Start, and we have also now created a national dataset for Families First. We are just completing that off for the first time. So, we do have consistent data across 22 local authorities. To pick up your points in terms of Flying Start, we can absolutely analyse—and that is what my team does—the different performance across local authorities, and actually get underneath that to understand why. Where we are seeing low cognitive development scores, is that correlated to the low take-up of childcare, the low take-up of parenting programmes, or a lower number of health visitor sessions? So, that is the analysis that we do using the data.

10:15

[86] **Lesley Griffiths:** That is when we can revise our guidance. If we see a gap, we can go back in.

[87] **Ann Jones:** I have got Aled and Simon to come in, before we move on to Lynne on child poverty.

[88] **Aled Roberts:** I was lucky enough to be a member in an authority that was one of the pilots for Families First. I am very convinced regarding the worth of the programme, to be honest with you, if only for the families concerned who have fewer numbers of professionals to deal with, if the programme is run correctly.

[89] Building on Simon's earlier point, you are obviously spending more on Flying Start. The evaluation, as far as the child poverty strategy is concerned, was suggesting that the resource going into Families First, even before these budget reductions, was insufficient. So, is the different approach being taken with regard to the two programmes just because of manifesto commitments going back three or four years? Has an assessment been taken of the relative worth of both programmes and the benefits achieved under both programmes?

[90] **Lesley Griffiths:** I will bring Martin in in a minute. Just to go back to what you are saying, obviously, my contact with Families First before I came into portfolio was in Wrexham. You are quite right, and I remember people saying to me that they had people constantly knocking on the door. You talk about chaotic and high-needs families. They were confused by all these people coming, so I absolutely agree with you that one of the best things about Families First is that these families are dealing with a single individual. I do not know whether Members are aware that, UK-wide, we are looking at these sorts of programmes.

There is a very similar programme to Families First in England called Troubled Families, which I think is a dreadful title, and they are now looking at calling it 'Families First'. Imagine the whole thing of someone knocking on your door and saying, 'Oh, you're a troubled family'. You know, talk about setting people up to fail. It is dreadful. So, I absolutely agree with you about Families First.

[91] If I could just say, on the cut in the budget to it—and I know it is just under £1 million—we are not expecting a cut to front-line services from this budget. There is always slippage, and I have certainly seen it in Communities First, coming into this portfolio. You get this slippage. So, while I appreciate that it looks like a very significant reduction in the budget, we are not expecting—

[92] **Aled Roberts:** It is a reduction of £1 million from the indicative budget, but it is a reduction from £46.9 million to £43.7 million between 2014 and 2015.

[93] **Lesley Griffiths:** Yes, but, as I say, we are not expecting a cut to front-line budgets. We are expecting the cut to be managed within each local authority's budget. I will pass you on to Martin about Flying Start.

[94] **Mr Swain:** The difference is that Flying Start is a prescriptive programme, and it was based on evidence around a minimum investment per child, which is why we have very specific cap numbers. So, we have to give a budget that fits with the number of children we want to deliver to. If you were involved with Families First at the start, you will remember that one of the things we set out to do with the programme was to change the way that statutory services invested in early preventative action. It was always meant to be an innovation programme to prove the worth of early intervention, and the more progressive authorities now actually do a huge amount more than what just comes through the Families First programme in early intervention through their core budgets. I think that, sometimes, Families First is held up as being the early intervention programme. It is actually quite small. It is not an insignificant amount of money, but, actually, in the context of local authority budgets for supporting people, it is actually really small. However, it is meant to change the whole way that agencies work together to target earlier intervention and to save money in the longer term.

[95] **Simon Thomas:** What I am still unclear about is how, Minister, you are really going to evaluate this. It is not a question of trying to say that there is no value for money here or that there is no benefit for the families involved. It is more a question of your making policy decisions on the best use of resources. So, when these programmes are running, there are certain things that really hit home and are therefore good value for money. You know, you can evaluate that they are really beneficial. There may be other elements that just are not working and, possibly, you will need to pull out of those and change the programme in some way. I still struggle to see—

[96] Taking your example that, if we save 10 children from going into care, taking the big-picture stuff, there is plenty of OECD evidence as well about early interventions saving society as a whole money, if you are just going to reduce it to monetary terms. However, we also need to talk about value in this, value judgments and your own values as a Minister. I appreciate that you are a member of a party that has values and that tries to bring those values into policy. However, to take your example, where are those 10 children? How can you identify them? Are you tracking these families? We have talked here about evaluation over two or three years. What we really need is a way that you can give us that says, 'Actually, we will be following these families through for 10 or 15 years, so we will know and we will be able to say that early intervention in the Welsh context has had this beneficial effect'. Is any of that going on at all?

[97] **Lesley Griffiths:** I will ask Martin to come in and then I will come back to you on policy.

[98] **Mr Swain:** There are two aspects to that. In terms of following families, in the national evaluation of Flying Start, we had a longitudinal study with just over 2,000 families surveyed twice, and we have an agreement with those families that we maintain contact with them and that, at any point, we can come back in to do further longitudinal study work with them. So, we can do that kind of longitudinal tracking technically all the way through until these children come out of school. However, the other thing is that, because Flying Start is now maturing as a programme, in the next stage of evaluation, we are not going to do process; we are going to look at data and all the various data sources that are available to us through existing data collection, so things like education data, health data, social care data and employment data, and go back to look at what the situation was pre-Flying Start, then as the programme has been implemented, as it has matured, and at what the situation is now to see what has happened to the data. A lot of it is collected at postcode level, and because Flying Start is a geographical programme, we can isolate lower-layer super-output areas and go back to look at the data. So, you are not tracking individuals in that sense, but you are tracking quite a sophisticated data set at a local level. Sometimes, because Flying Start is pretty much the main service operating there, you will be able to see, certainly for young children, what their health data are telling us—whether they are immunised, whether they are obese, whether they are coming to school with dental problems. That is the next phase of the evaluation.

[99] **Ann Jones:** Sandy, did you want to come in on that point?

[100] **Sandy Mewies:** I am asking this because I do not know the answer, but do you use the data that are available from education on the transitional progress that children are making right through school? It is not just about whether they have their teeth checked or anything else; it is about the progress they make as individuals, is it not? So, do you use the transitional information, which should be available although it is not always, that education services should have in schools as very young children pass from one stage of education to another, in fact until post 16, which will tell you what their destination is?

[101] **Mr Swain:** We will be able to. When the new foundation phase on entry assessment comes in, it will directly relate to the assessments we do in Flying Start and, therefore, we will be able to track them through the education system, but also where they are when they transition to the foundation phase—

[102] **Sandy Mewies:** And long term that will give you some very solid evidence.

[103] **Mr Swain:** Yes. In the long term, they will have an identification number.

[104] **Lesley Griffiths:** Can I just go back to Simon because he was asking me what I would do from a policy point of view? Because we are now in the third year of the evaluation, we are asking for specific parts of the programme to be evaluated. When we get—. I do not know, actually. When will I get the third year evaluation?

[105] **Mr Swain:** Next year.

[106] **Lesley Griffiths:** Next year. So, when I get that next year, I can have a look and if I think that we cannot use it to work out how we can take the policy forward, I can then renegotiate parts of that evaluation. For me, as a new Minister, that will be really helpful to see.

[107] **Ann Jones:** Okay. We will move on to child poverty, with Lynne.

[108] **Lynne Neagle:** Thanks, Ann. The allocation for child poverty is the same as the previous year, so I just want to ask, in view of the evaluation of the child poverty strategy, which flagged up issues around whether the scale of programming is sufficient to tackle the challenge, how confident are you that that money is going to deliver?

[109] **Lesley Griffiths:** Well, we had the evaluation only in July, so we were not able to take that report into account, really, when we were looking at next year's budget, but I think that the lessons from the evaluation will continue to inform our approach. I mentioned before that I am just about to go out to consultation on the revised child poverty strategy, because the current one is for 2011 to 2014, so we need one to start in 2015. We can certainly have a look at that when we go out to consultation. I want the new strategy to be put in place as early as possible in January. I am confident that there is enough, but, unfortunately, we could not take that into account.

[110] **Lynne Neagle:** Okay, thanks. So, in terms of the £140,000, what sort of outputs and outcomes are you looking to see delivered using that money?

[111] **Lesley Griffiths:** For the policy?

[112] **Lynne Neagle:** Yes.

[113] **Lesley Griffiths:** What that will do is have a look at cross-Government activity, because, as I mentioned before, it is not just my portfolio that needs to deliver in this area. Every Minister needs to be looking at tackling poverty and tackling child poverty. We will have additional analysis and research to look at the delivery, not just of the child poverty strategy, but also of the tackling poverty action plan. It also funds—. I am just about to embark on some regional tackling poverty events right across the country—there are some local authority anti-poverty champions that you are probably aware of—to have look at getting a real focus on the partnership working right across Wales in that respect, also.

[114] **Ann Jones:** Okay. We move on—

[115] **Simon Thomas:** May I just have a quick follow-up question, referring back to the Social Mobility and Child Poverty Commission report that we saw on Monday? Yes, this is a UK issue, but let us just focus on Wales for the moment. We are way off target, and we are not even closing the gap in terms of getting up to the improvement that has been seen in some English regions, for example, and in Scotland as well. I know that the evaluation was in July and a bit late for the budget-making process. Certainly, what happened on Monday is much too late to affect the budget, but is there any sense that you need to step back from what you are doing across a range of things as a Government—you are the champion in Government for this—and look again at what is happening? It seems to me that the structure of the things that the Government is doing is not having the—. I am not saying that they are not done with the best of intentions, but they are not having the impact, the measurable impact, that has been assessed now at a UK level, and yet we can see it in Scotland, to a certain extent, on educational attainment, for example. In international comparisons, Mr Swain evidenced some of the stuff that has been going on in the USA—I know that the USA as a whole is a very unequal society, but there are good examples of anti-poverty initiatives there. Is there any sense that you really need to step back from this and almost take a clean sheet of paper and say, 'Well, what we have been doing is not working. Why is it not working and what assessment can we make now?'

[116] **Lesley Griffiths:** I would not say that there should be a clean sheet of paper, but I certainly think that we need to look very closely at this. Coming into the portfolio now, just as we are about to go out to consultation for the refreshed or revised child poverty—

[117] **Simon Thomas:** I try to avoid saying ‘refresh’.

[118] **Lesley Griffiths:** I know, sorry—revised. Well, no, it is a completely new one, is it not? We had one from 2011 to 2014 and we are going to have a new one in 2015—

[119] **Simon Thomas:** Exactly, and we know that the last one—. It is a bit early to say, I suppose, that it did not work, but we know that something is not quite right.

[120] **Lesley Griffiths:** Absolutely. So, I think that you are right; it is a prime opportunity to have a look. As I said, we do not need a fresh, clean sheet of paper, but I think that it is very much an opportunity. Also, going back to the report that came out on Monday, there were some specific recommendations and considerations for Wales. Officials have just started this week, obviously, to look at them, but they will be really helpful as we go forward to the next child poverty strategy. However, I certainly think that we need to look at this, because, as I said, I do not think that poverty is acceptable or inevitable, so we certainly need to have a look at what we are doing.

[121] **Ann Jones:** We will move on, Aled, to changes to children and families organisation grants.

[122] **Aled Roberts:** May I raise one issue, first of all, from your paper, on the budget expenditure line that refers to reductions in Supporting People? The note that goes alongside it says that Supporting People does include children and young people. There is a £5.8 million reduction. Do you have any oversight with regard to decisions that, presumably, are taken at a local level as to whether they have a disproportionate impact on schemes that affect children and young people?

10:30

[123] **Lesley Griffiths:** Yes, I do. I am aware, obviously—it is a significant reduction in Supporting People. Clearly, most—I forget how much it is, but I think that it is something like 82%—of my budget is spent on preventative programmes, and I have some major preventative programmes in my portfolio. My predecessor and I have had to make very difficult decisions around my budget. Supporting People obviously took a significant reduction. Yes, we do have oversight. It is something that can be monitored. We have had discussions with local authorities. These discussions have been going on at official level and they are still continuing to go on. It is very important that we continue to monitor and evaluate that.

[124] **Aled Roberts:** As far as the main grant itself is concerned, there is a major grant award to Cwllwm, which is headed up by Mudiad Meithrin. Going back to north Wales, there is evidence that some local authorities are reducing funding to some pre-school organisations and are citing the grants that they have been awarded by the Welsh Government in support of those proposals. How can we be assured that, in fact, the grants that you are awarding do not replicate funding that is then being removed by local authorities?

[125] **Lesley Griffiths:** I am bit of a poacher-turned-gamekeeper here; when I was Minister for local government I was very keen to de-hypothecate funding and put it into the revenue support grant to cut out bureaucracy and administrative costs. The Chair is shaking her head at me. I have come into this portfolio and I can see why we want to hypothecate funding to make sure that it is delivering on our strategies. I probably should not have said that publicly.

[126] **Ann Jones:** Yes, you should—carry on. [*Laughter.*]

[127] **Lesley Griffiths:** I am not aware of the situation that you mention in north Wales.

Looking at Cwlwm, you are right—we have given it just under £4.4 million, I think. On the positive side, it is very good to see the collaboration going ahead with these five organisations—they are leading childcare organisations in Wales, after all, and it is the first time that they have collaborated so formally. They are all equal partners. What I want to see coming out of them is better provision for children. Again, we do monitor what goes on, but local authorities make decisions locally because that is what they are there to do. However, it is important that we see our priorities and strategies being implemented.

[128] **Ann Jones:** On a serious point around hypothecation, everybody laughs because I think that I have made my position quite clear as to where I stand on that. However, the important thing to look at is that there is an understanding across Government, I suppose, that, if there is a need to put a grant in, that grant should not replace, as Aled said, moneys that may have been allocated under the RSG. That is what happens quite a lot. I could sit here and cite you evidence of this until next Wednesday, if I needed to, as to where that happens. You do not see the additionality for it, and the evaluation is then skewed because you cannot do that. So, there is a bigger picture around making sure, especially in the very straitened financial times that we are in, that what you are trying to do with your preventative measures is getting the best way of doing that without that benchmarking—

[129] **Lesley Griffiths:** It is really difficult. One of the problems that I looked at in previous portfolios was the school uniform grant. I think that one local authority had £10,000 in that grant. For that one family that needs school uniforms, that grant is incredibly important. However, with a grant of £10,000 to a local authority, the proportion spent on administration would be huge. So, to me, it seemed sensible to put that into the RSG. However, it is very difficult then, because local authorities are making local decisions to do it. Free school breakfasts is another example. It is an incredibly important Welsh Government policy, and—[*Interruption.*] It went into the RSG a couple of years ago and some local authorities are not spending the money in the way that we would want them to.

[130] **Ann Jones:** That is key, though, to Flying Start and the Families First families and children who then enter into a school setting and are actually entering at the same level as those who understand that breakfast is an important meal of the day.

[131] **Lesley Griffiths:** So, you can see why I am a poacher-turned-gamekeeper.

[132] **Ann Jones:** Well, that is good; welcome to the conversion.

[133] **Simon Thomas:** If I can possibly give an alternative view—. [*Laughter.*]

[134] **Ann Jones:** All right, then; I will allow you.

[135] **Lesley Griffiths:** I have the alternative view. [*Laughter.*]

[136] **Simon Thomas:** As the Minister has also held the alternative view in the past—. You can do this in different ways, but surely the key thing, and it is relevant to the examination of this budget, is that you are measuring the outcomes. That is what Government should be doing, really, more than processing grants, namely measuring the outcomes there. That is really the—.

[137] **Lesley Griffiths:** It is all about delivery.

[138] **Simon Thomas:** It is about delivery, so, even with school breakfasts, you should—. I am not saying you personally, or Government, but there should be a process by which the pressure is put on local authorities to demonstrate that they are both delivering the service, but also that the outcomes are there, that the take-up is there, and that it is going to the right

people and so forth. So, there are different ways of skinning the cat.

[139] **Ann Jones:** We will not fall out over that one. May I just ask you about Play Wales—. Sorry, Sandy, is your question on Play Wales?

[140] **Sandy Mewies:** It is on Play Wales.

[141] **Ann Jones:** Go on, then. You go first, because—

[142] **Sandy Mewies:** On Play Wales, I am not going into any discussion of the what, how and why; it has had money now. However, what I want to know is where the new budget will be drawn from and is it additional funding?

[143] **Lesley Griffiths:** Are you on about the money that I announced last week for Play Wales?

[144] **Sandy Mewies:** For Play Wales, yes.

[145] **Lesley Griffiths:** It has been managed within my main expenditure group. It is not new money. Play Wales made a case to me for specific funding and I have awarded it that specific funding. For 2014-15, it was £136,935, and for next year it is £264,685. It is for specific areas of activity that I think will directly support our key Welsh Government commitments and priorities around play and tackling poverty. So, it has been given very specific areas to work on. It is not new funding, and that £50,000 that is in the column for childcare and play strategies has nothing to do with Play Wales.

[146] **Sandy Mewies:** Will there be announcements? There has been concern, certainly in north Wales, about the specific needs that will be met by that new money. Will that be transparent?

[147] **Lesley Griffiths:** Oh yes, absolutely. Officials are working with Play Wales to ensure that the four main areas that we have asked it to do for us will be covered. One of the things is the provision of strategic support to local authorities and their partners for the implementation of the play sufficiency duty. I want it to advise me, and all of Government, of the development of the play workforce, for instance, but officials are working very closely with it. I do not know whether Martin wants to say anything else.

[148] **Sandy Mewies:** Again on this grant, you talk about the engagement grant and the Tros Gynnal Plant all-Wales restorative approaches family engagement project. I never quite know what 'engagement' means. It is used so flexibly, is it not? I am really interested there—it is called an all-Wales project, but is it truly all-Wales? How is it going to be delivered? Is it truly all-Wales? I see all sorts of all-Wales projects, but I do not see sight or sound of them anywhere near me, usually. So, how is that going to be delivered?

[149] **Mr Swain:** That is one of the reasons why we changed the grant. One of the deficiencies that we saw in the previous children and families organisations grant was that, in theory, that was meant to be delivered on an all-Wales basis, but, because it was a core funding grant, it was then, effectively, down to those organisations to determine what activities they did and where. The change in this grant is that it is all based around delivery. We have made it clear that we want it to be focused on tackling inequalities, and particularly on tackling poverty, and we will require them, in their delivery plans, which they will need to agree with us, for the next three years, to show where they will be targeting their activity. So, if we saw it all focused in south Wales, for example, we would immediately query, 'Why haven't you got geographical coverage?'

[150] **Sandy Mewies:** That is very good news.

[151] **Simon Thomas:** I apologise for this, because I know that it is a very bad thing in committee to go after tiny sums of money when the big picture is being ignored; but I have to ask about this tiny sum of money for Play Wales. It demonstrates—. It is one of the things that I am still uncertain about in terms of how these things are done. It was not very much welcomed, but you gave a significant grant to Groundwork Wales to do this work. So, what was missing, when you gave that grant, that you now find yourself having to give money to Play Wales to do? Surely, when you gave the grant in the first place, it should have taken account of these issues around play sufficiency. Play sufficiency is a Welsh Government objective. Why are you, in effect, duplicating through an additional source of money? Is it just lobbying?

[152] **Lesley Griffiths:** No, and I do not think that it is duplicating. Play Wales is very supportive of the work that has been funded through Groundwork Wales. As I said, it made a very specific case to me on issues that I thought were very important. It is not new money. We are managing the money from within the MEG. The £136,000, as you say, is a tiny sum of money within the big picture.

[153] **Simon Thomas:** It is the principle that I am trying to get to. Why did you not square this off when you did the first grant announcement? That is what I am trying to get at.

[154] **Lesley Griffiths:** As I said, it is specific funding. I do not think that it is giving us anything that Groundwork Wales is giving us. Play Wales is internationally renowned and I thought that it could help us.

[155] **Simon Thomas:** I supported it at the time, because I was wondering why it lost the contract in the first place.

[156] **Lesley Griffiths:** That is not the same thing.

[157] **Mr Swain:** We made play a priority within the children and families delivery grant. We had a headline set of criteria that we wanted the projects in that area to concentrate on. We had a scoring matrix that we used and we had a very detailed assessment panel process; there were eight people on there from different parts of Government. When we ran the assessment, Groundwork Wales was the top project in that area. Ministers had made clear that they were only going to fund one project. That was deliberately aimed to try to get organisations to collaborate, which is what we have been trying to do with third sector organisations in this area for a number of years. That is why the childcare one is a major step forward. However, there were aspects of the Groundwork Wales project that, as the Minister said, Play Wales made a very strong case to the Minister that they would not be delivered by that project. We could not go back to Groundwork Wales and renegotiate, because it had come through that assessment process. It would have been unfair, because we would have had to go to every single applicant and say, 'You are now having another stab at it'. We made it clear that the process would be a one-off process and that we would make an assessment based on criteria. It is also fair to say that the level of funding being offered is nowhere near what Play Wales was receiving from us.

[158] **Simon Thomas:** No, but it is not delivering the whole package either.

[159] **Mr Swain:** Just to say, as well, there will be a change of approach between the Welsh Government and Play Wales going forward. This is not core funding. This is for very specific activities. We have made it clear to the chair that we will want to agree an action plan and we will review it every year. This is still very specifically about delivery.

[160] **Simon Thomas:** I do not want to labour the point, it is perfectly reasonable for a Minister to do these sorts of things; but, it strikes me that it reflects on something that was missing in the original process. Maybe you want to reflect on that and square it off.

[161] **Ann Jones:** That is more of a comment than a question.

[162] **Lesley Griffiths:** Yes, I judged that, but I thank the Member.

[163] **Ann Jones:** Aled, is this your last question?

[164] **Aled Roberts:** Yes. On another organisation, as far as this grant is concerned, but not revisiting the tendering of it, I just want clarity on the grant to Children in Wales. It put on its website in July 2014 that its grant did not include funding to deliver a national youth assembly for Wales. What is your understanding with regard to what representative arrangements there will be, given that your paper details what the Children in Wales grant was awarded for? What representative arrangements will there be for youth participation going forward?

10:45

[165] **Lesley Griffiths:** What we want Children in Wales to do is—. Obviously, we have local participation fora right across Wales, I want to bring all of those together and have some national conversations—I do not particularly like that phrase, but that is what we want to do. We have already started. Officials have already met with Children in Wales along with the children's commissioner. I will mention the elephant in the room; I know about Funky Dragon. I do not want to lose what Funky Dragon brought to the table. It is really important that we still draw on the expertise of the young people who were involved in it, and that was a very limited number of young people. Children in Wales is working closely with the commissioner and he will facilitate a meeting with those young people. I want to see much wider participation. I know what has been going on before I came into portfolio, but I am very happy that Children in Wales is going to provide participation to many more people than was being done before.

[166] **Ann Jones:** Are there any more comments? I am sure that there probably are; I always hold my breath when I say that, because I am sure that it will open up. Thank you very much, Minister, and your team. There are a couple of notes that you will provide. The clerks will liaise with you on that. I will just say thank you very much.

10:46

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

[167] **Ann Jones:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

[168] I see that the committee is in agreement to go into private session until we come back into public session for budget scrutiny of the Minister for Education and Skills. Thank you.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10:46.
The public part of the meeting ended at 10:46.*

*Ailymgynullodd y pwyllgor yn gyhoeddus am 13:30
The committee reconvened in public at 13:30*

**Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2015-16: Sesiwn i
Graffu ar Waith y Gweinidog
Welsh Government Draft Budget Proposals for 2015-16: Ministerial Scrutiny
Session**

[169] **Ann Jones:** Welcome, everyone. We will now reconvene in public as part of our agenda. This is the last item on our agenda: a scrutiny session on the budget with the Minister for Education and Skills and the Deputy Minister for Skills and Technology. We have quite a lot of questions. We have strictly an hour and a quarter. By strictly, I mean strictly; the roof will probably collapse if it goes on any longer, because some of us have other important engagements, as have you, no doubt. So, I ask for short questions and short answers, if possible. We will accept notes along the way. Minister, I ask you to introduce yourself, your deputy and the teams. We will then move straight to questions.

[170] **The Minister for Education and Skills (Huw Lewis):** Thank you, Chair. Of course, I am joined by Julie James, the Deputy Minister. On my left is Jo-Anne Daniels, and on my far right is Huw Morris.

[171] **Ann Jones:** Thanks very much. As I said, we have questions on a number of areas. We will start on the prioritisation and the pupil deprivation grant and then move through 1% protection for school funding, movements between budgets and the new education improvement grant, implementing Qualified for Life, post-16 education, higher education, capital funding for twenty-first century schools, and then any cross-cutting issues on impact assessments if we have time. If we do not, we may have to write to you. Those are just to give you an idea of where we are. Aled, do you want to start on the pupil deprivation grant?

[172] **Aled Roberts:** Helo. O ran blaenoriaethau, mae gan yr adran addysg a sgiliau ryw £48.8 miliwn yn llai i'w wario yn y flwyddyn sydd yn ein hwynebu. Yn amlwg, rwy'n croesawu'r ffaith bod arian ychwanegol yn mynd i'r grant amddifadedd, ond a oes newid o ran polisi'r Llywodraeth wrth ystyried y tri blaenoriaeth cyn hynny, sef amddifadedd, llythrennedd a rhifedd? Mae'n amlwg bod arian ychwanegol yn mynd i'r grant amddifadedd, ond a ydych yn poeni nad oes digon o arian i gwrdd â'ch blaenoriaethau eraill?

Aled Roberts: Hello. On priorities, the department for education and skills has some £48.8 million less to spend in the forthcoming year. Obviously, I welcome the fact that additional funding is going into the deprivation grant, but is there a change in Government policy on the three previous priorities, namely deprivation, literacy and numeracy? It is clear that there is additional funding going into the deprivation grant, but are you concerned that there is insufficient money to meet your other priorities?

[173] **Huw Lewis:** Every Minister would always like to see more resources at their disposal. It would be silly to think that that was not true. I am very pleased to see that there is a very clear prioritisation emerging through my budget—I think that it is self-evident—in terms of the commitment to the pupil deprivation grant, which is a considerable, if not historic, commitment and tribute to the political will to break that link between under-attainment and the deprivation figures. There was an uplift of £44 million, if I recall rightly, in the first year and £51 million in the second year of the agreement. Aled is quite right to

point out that, overall, there is a reduction in terms of my budget. That is undeniable. That is true. It is there because of the pressures that the Welsh Government is under as a result of the decisions of the UK Government, but we have not been afraid, within that, to make that link between under-attainment and poverty a very clear priority. There is a considerable investment through the PDG now in making that a reality.

[174] **Aled Roberts:** Cyhoeddwyd adroddiad gwerthuso y PDG ddoe. Roedd yna rai pethau i ymfalchïo ynddynt, ond mae'n amlwg bod darlun eithaf cymysg o hyd ynglŷn â'r ffordd y mae'r grant yn cael ei wario, gwahaniaethau rhwng ysgolion cynradd ac ysgolion uwchradd a chwestiynau ynglŷn â gosod y grant fel ei fod yn canolbwyntio ar y plant y dylai gael ei wario arnynt. Rwy'n gweld o baragraff 99 o'r papur rydych chi wedi rhoi gerbron y pwyllgor eich bod chi'n dweud unwaith eto eich bod chi'n barod i adennill arian gan ysgolion os nad ydych chi'n gweld tystiolaeth eglur bod yr arian hwnnw wedi cael ei wario yn unol â thelerau ac amodau'r grant. Sut yn union fyddai'r broses honno yn digwydd ac a ydych chi'n ystyried gwneud hynny o fewn y flwyddyn ariannol sydd o'n blaenau ni?

Aled Roberts: The evaluation report on the PDG was published yesterday. There were some things of which to be very proud, but obviously, there is still quite a mixed picture in terms of the way that the grant is spent, differences between primary schools and secondary schools and questions in relation to whether the grant has been focused on the children on whom it should be spent. I see from paragraph 99 of the paper that you have presented to the committee that you say once again that you are willing to recoup money from schools if you do not see clear evidence that that funding has been spent in accordance with the terms and conditions of the grant. How exactly would that process work and are you considering doing that in-year, in the year that faces us?

[175] **Huw Lewis:** That remains a possibility. As you said, Aled, the evaluation was published only yesterday. I have had time just to take a look at the headline findings of the report, and we will need to study that in greater detail. One thing that is coming through very clearly is that there is an increase in activity as regards schools working with those pupils on free school meals to uplift their attainment and, indeed, there is ample evidence to show that where there was no activity previously in that regard, that activity has begun. So, those are very heartening signals that are coming through. I will have to sit down and take a long, hard look at the evaluation in terms of whether that is a coherent picture across Wales.

[176] I stand ready, particularly in any case where we find that a school has deliberately stepped outside the criteria that were intended for the use of the PDG, and has used it for purposes that are clearly other. I would be quite prepared, at that point, to consider a clawback of resource, and I have asked officials already, actually, to start drilling down into the report and into what we know about what consortia are telling us about consortia having a key role in terms of ensuring the good delivery of this aspect of school improvement. If there are stand-out examples like that, I will take appropriate action. As to whether that would be in-year or by whichever other means, I have yet to say, that I have not really weighed that up in my mind, as yet. However, obviously, schools are on notice that this money is there for a very specific purpose, and that has been made very clear more than once.

[177] **Ann Jones:** Okay. Are you happy with that? I see that you are, thank you very much. We will go on to the 1% protection.

[178] **Simon Thomas:** Before we do that—

[179] **Ann Jones:** Yes, certainly.

[180] **Simon Thomas:** I would just like to follow Aled's line of questioning as well. Looking at the Social Mobility and Child Poverty Commission report published this week,

Minister, the conclusion that one would reach is that all this expenditure and talk from your Government has been in vain.

[181] **Huw Lewis:** I think that that would be a rather disappointing stance for any progressive politician to take in this regard. In terms of pure educational attainment and the concentration on the attainment gap between these young people and young people in better off circumstances, we know that there are evidence-based interventions that work. The London Challenge, for instance, has shown us some remarkable uplift in terms of what is possible, and a rejection of the idea that because young people come to a school in certain socioeconomic circumstances, they are almost bound by fate to underattain. We know that that can be rejected. We know that schools are not capable of doing everything, but they can do a great deal more in terms of changing the life chances of those young people.

[182] I am not surprised that the report that you mentioned continues to point to very stubborn statistics and, indeed, what that tells me is that we can never, at any point, underestimate just how entrenched these issues are. However, I am convinced that the PDG, taken together with the Schools Challenge Cymru programme, which also features in the budget, as you know, provide our best chance, historically speaking, thus far, of, once and for all, driving a wedge between the economic circumstances of a child's birth and their attainment at school. I do not intend to let up, even if a dozen pessimistic reports land on my desk, because we know that other paths are possible.

[183] **Simon Thomas:** In that context, can you tell the committee what the purpose of the 1% protection for school spending is?

[184] **Huw Lewis:** Well, the 1% protection for school spending, as you say, is essentially a ratchet. It is a ratchet in tough times to, once again, at an all Government level through the programme for government and our manifesto commitments, ensure, despite there being very tough times in the public sector, that schools are preferentially treated within that very, very harsh environment. That does not mean that schools are completely sheltered from the storm; they are not. You will see a £4.4 million cut in the school effectiveness grant, for instance, within the budget, and that is the harsh reality of where we are. However, in maintaining the 1% commitment, we are, in terms of wider public spending, preferring the case of schools and making sure that they do not suffer harm to the same degree as other parts of the public sector.

[185] **Simon Thomas:** Can you tell us how you expect that 1% to be made up in this budget? Is it delivered completely through the RSG or do you expect a proportion of the 1% to be delivered by other department programmes, such as the pupil deprivation grant?

[186] **Huw Lewis:** The pupil deprivation grant is not part of the 1%, but the make-up of the 1% is rather complex and I might need to turn to some of my officials here to drill down into the detail if you want it this morning. However, the big budget elements of this are the school improvement grant, the school effectiveness grant, sixth-form spend within further education, qualifications spend and initial teacher training, which is part of this as well. So, there are a number of budgetary lines within this. Perhaps I will turn to Jo-Anne for a little bit more detail.

[187] **Ms Daniels:** Yes—

[188] **Simon Thomas:** Before you do, the specific point in this is that the RSG itself only delivers something like not 0.83% of that 1%, so there—

[189] **Huw Lewis:** Well, it is not just about the RSG.

[190] **Simon Thomas:** Okay.

[191] **Ms Daniels:** As the Minister said, the 1% comprises both the department's spend—not the entirety of the department's spend, but specific areas that relate to schools and teaching and learning activity within schools—as well as the RSG. So, as the Minister has said, grants such as the SEG, spending that we make on supporting the curriculum and assessment, spending that we make in support of school sixth forms that goes via a different funding route, things like food and nutrition in schools, and school-based counselling are all activities that take place in a school and support the school in delivering its services and support for learners, and so are counted towards the 1%.

[192] **Simon Thomas:** In the past, Minister, I think that the Minister for finance produced an analysis of how this 1% had been put together. Is it your intention to continue to produce that kind of annual synopsis of what has just been explained by Jo-Anne Daniels?

[193] **Huw Lewis:** Well, if committee members require or wish for such a thing, I am sure that we could make that available. Yes, of course.

[194] **Ann Jones:** Yes, people are nodding, so I think that that would be helpful.

[195] **Huw Lewis:** Okay.

[196] **Ann Jones:** Keith is next.

[197] **Keith Davies:** Just following up on the 1%, as a school governor, I asked Lesley Griffiths this question when she was the Minister for Local Government and Government Business. What I am finding, certainly in Carmarthenshire schools, is that, whereas previously we had free swimming for schools, we no longer have that. Although we are giving 1% extra to the school budgets, I am finding that schools are using the extra to offset what they have lost from the local authority. So, in a sense, as far as schools are concerned, they are not getting the 1%, it seems to me.

[198] **Huw Lewis:** Well, I am very disappointed to hear that. If that is an issue in Carmarthenshire, I would want to have a conversation directly with them. I did meet with the Welsh Local Government Association yesterday, and the 1% uplift was the main item on the agenda. I secured an undertaking from it again this year that we would see through the 1% uplift commitment across local government right through until the end of this Assembly term. We were very clear on that point.

13:45

[199] I have to say that this is asking a very great deal of local authorities in particular. They are under unprecedented pressure and I would not rule out the need for vigilant action here and there if issues like this come to the fore. So, I would be more than happy to follow through on what exactly is happening in Carmarthenshire and to make sure that we get reassurance from them that they are, in the spirit and to the letter of the commitment, providing the 1% to schools.

[200] **Ann Jones:** I have got John first and then Aled.

[201] **John Griffiths:** In a similar vein, in a way, Huw, in terms of maintaining progress with important areas of activity, such as physical literacy in schools, which I think swimming is an important part of, Tanni Grey-Thompson's report and the work that has taken place since, and also Dai Smith's report on arts in education, I wonder whether you could say a little bit about the continuing commitment of the Welsh Government to taking forward those

very important pieces of work, which I think bring external resource to schools to the table, as it were, to improve the core offer that schools make. So, as well as being very important for physical fitness and appreciation, interest and ability in the arts, I think they relate to the general school curriculum as well. I would be interested to hear what you might be able to say in terms of words of comfort, really.

[202] **Huw Lewis:** Thank you, John. These are important elements that need to be talked about and opportunities that need to be grasped by schools and local authorities as well, as we move forward to deliver on Tanni Grey-Thompson's review, as well as Dai Smith's in terms of the arts and culture. Even though I have given the answer that I did to Keith, the 1% commitment is not a total shelter for schools. It is 1% in terms of the changes that are happening in public expenditure. As we know, there is a £1.7 billion reduction overall in terms of what we can offer the Welsh public purse, if you like.

[203] So, in terms of those offers from outside agencies, the sports council has a fantastic record already in terms of stepping up provision for schools and has done the most remarkable work with very slim resources. There will be an unrolling this calendar year of the commitment of the arts council. The arts council has also stepped up with an unprecedented offer, with a good chunk of its very slim resources being allocated to our school system, essentially—not just in terms of resources, but the people they can draw into schools as well.

[204] I will be formally launching, I believe in January, what we are going to be calling the 'pupil offer', which encapsulates some of this stuff. There will be an attempt also to draw other partners into this, to describe to schools what is on offer from organisations like the arts council and the sports council, and also to broaden that to draw in other partners, too—higher education being a key one here in terms of what it can be offering schools and what it can offer pupils in terms of experiences, whether they are curriculum related or extracurricular—and to make sure that there is a community of like-minded people offering support to our school system in very difficult times. These offers should be structured, reliable and timetabled, so that a headteacher understands what is on offer over the next two to three years and what they can call upon. So, these are not flare-ups of individual good practice; these will be structured offers that headteachers can rely on and call upon in a systematic way.

[205] **Ann Jones:** Right. I have various Members wanting to come in on this now; we have opened a can of worms or Pandora's box. David, is your question specifically on that point?

[206] **David Rees:** Yes.

[207] **Ann Jones:** Right. You go next then, and I have Aled patiently waiting and Andrew as well. So, you go first, if it specifically on this. If it is not, you will be told off.

[208] **David Rees:** You were talking about that community and what it will offer. The question, in terms of budget scrutiny, I suppose, is who is going to be funding this.

[209] **Huw Lewis:** Well, this is part of the point. This is organisations outside the school system stepping up with resource, time and people. So, I have mentioned the arts council, which, considering the size of the arts council, it is a phenomenal proportion of their overall budget, actually, that it is putting on the table, which I will match. I forget the figures; I do not know whether the figures are £2 million from me and £2 million from the arts council.

[210] **Ms Daniels:** Yes.

[211] **Huw Lewis:** So, £2 million for the arts council in this atmosphere is a great leap of faith and I appreciate it very much. Its contribution will be matched by me. That will form the core of the pupil offer. We have already had the sports council, through its good offices,

working at this sort of stuff for upwards of two years now. It is now also time, I think, to turn to organisations like universities, which, alone in the public realm at the moment, are looking at above-inflation healthy rises in income for the next four, five, six years, without any doubt. They are the most robust public actors in financial terms in Welsh education at the moment. I will be expecting from them a structured offer that at least matches in ambition what people like the arts council are offering. So, this would include things such as summer schools, weekend activities, catch-up sessions, and experiences for young people, particularly those who have no family background in higher education, to become involved, and, for headteachers particularly, as I said, a structured timetabled offer that stretches two to three years into the future so that a head can plan and it is not a question of a letter landing on the head's desk and them having to fill in a form by next week and get a group of young people on a bus. This is something that a headteacher should be able to rely on for the next few years.

[212] So, HE needs to come with its resource to the table and there is no reason why, of course, we cannot then expand this into a wider ask around the voluntary sector, and, indeed, the private sector, in terms of stepping up and becoming part of this pupil offer. As I said, it is not formally launched yet and you will not see a pupil offer strand within the budget, Chair, but it is a counterpoint to some of the financial pressures that we are under at the moment. I think that it is something that should be happening anyway, even in good times.

[213] **Ann Jones:** I have Aled and then Andrew and then we are going to have to make some progress.

[214] **Aled Roberts:** Obviously, we have the Government's commitment to protect school budgets and great pressure on local authority budgets, and I do not think that Keith's example is an isolated one, where, increasingly, services that were paid from the centre are now being transferred to be the responsibility of schools. Given that context, and the fact that those central education budgets within local authorities are being very heavily squeezed, has any consideration been given to perhaps relooking at the commitment to increase delegation?

[215] **Huw Lewis:** One of the key elements of the budget, you will find, is certainly a major step towards simplification. You will see that several budget strands—I think almost 20; it is certainly more than a dozen—have been rolled together now into one major grant from the Welsh Government to local authorities. What that means is that we hope very much that local authorities will seek to save in terms of admin costs. There is a longstanding Wales Audit Office report that estimates that about 5% of a grant is taken up in administration and so on. So, one grant should offer administrative savings, and also some elbow room and flexibility for local decision making at council level in order to be able to deal with some of the pressures that local authorities are under. So, I have made that offer. It is in line with what Robert Hill asked us to do in his report, what the Williams Commission said, and what the Organisation for Economic Co-operation and Development actually said as well, which is that we should have fewer grant lines in Wales flowing to schools, and we have slashed the number of individual grant lines through this budget.

[216] However, it is also a hand being offered, I suppose, to local authorities in terms of us understanding the pressures that they are under and enabling them to plan more imaginatively perhaps how they deal with the pressures that they are under.

[217] **Andrew R.T. Davies:** Obviously, as a substitute, I just want to put this question to you generally on the budget because we have had various strands introduced by Members. How confident are you that this budget will actually get to the end of its life without major alteration, that is, by in-year redirections of financing? You talked about headteachers in particular requiring certainty to deliver. In fairness, all partners of the Government who are charged with delivering education need that certainty. So, are you able to give a commitment that, if you pull all of these strands together, there will be no major readjustments within this

budget for allocations to other departments?

[218] **Huw Lewis:** Well, of course, that is something we would all seek to avoid and it is certainly something I do not want to see occurring. It would be destabilising to the system, but, you know, I do not have a hotline to the Chancellor in No. 11, and he could surprise us with all sorts of news, no doubt. Let us hope that that does not happen. If you take the pupil deprivation grant, for instance, there is actually a two-year commitment to stability within that strand of money, which is not inconsiderable. In some local authority areas, this is getting to represent almost a quarter of school spend. That is a considerable sum of money in the PDG. That is guaranteed for the next two years, so there will be stability through that. I certainly do not wish for—I do not want to see—any destabilisation of the budget that you see in front of you. Of course, I do not.

[219] **Ann Jones:** Keith, can we move on to the movement between budgets and the new education improvement grant?

[220] **Keith Davies:** Yes. You have mentioned, I think, Huw, the fact that you are bringing all of these different grants together. There is a cutback of, I think, £40 million or something there. However, some of the grants were there for specific reasons, like the learning pathways grant, to make sure that there were option choices for youngsters at ages 14 to 16 and 16 to 18. You have also had the statutory responses from local authorities on Welsh-medium education, and so there will be huge training needs there. Are we able to provide schools with that kind of support, and are these grants going to be held centrally within the local authorities, or are they going to be given out to schools?

[221] **Huw Lewis:** I will check—Keith is quite right—I think that £141 million is the total within the consolidated grant stream. The quid pro quo for putting the grants together into one stream is that there is a contract of trust, essentially, that the local government will continue to deliver on its undertakings, for instance, in 14-19 learning pathways, or the level of resource for the foundation phase, and so on and so on. We will be monitoring that very, very carefully. We will be interested in an outcomes-based monitoring of what local government gets up to in terms of each and every one of those strands. In terms of the second part of your question, I think I will turn to Jo-Anne, in terms of how the money flows.

[222] **Keith Davies:** Is it held centrally by the local authorities?

[223] **Ms Daniels:** The rationalisation of grants process is one that we are taking forward with local government, so we are now going through the process of discussing with it the specifics of the grants that will be merged together, what proportion of that we would expect to see passed through to schools, what proportion we would expect to see potentially retained by the local authority to provide services, and what proportion we might also expect to see passed over to consortia for them to undertake school improvement functions. So, that is a process of work that we are engaged in now with local government, alongside, as the Minister said, a focus of work on how we ensure that the outcomes that we want to see delivered through those individual, or previously individual, grant streams are not lost. Again, as the Minister has said, a number of those outcomes are underpinned by legislative requirements on local authorities, so that should give us a degree of confidence that they would continue to meet those obligations.

[224] **Keith Davies:** I would imagine that, if I just stay on the smallest one, I suppose, Welsh in education, the consortia would have its part of this budget.

[225] **Ms Daniels:** Those are exactly the issues we need to discuss. As consortia increasingly take on responsibility for a wider range of school improvement functions, that distribution of funding between local authority and consortia is something that needs to be

considered.

14:00

[226] **Aled Roberts:** Rydych yn cyfeirio at y ffaith bod y grant werth £141 miliwn, ond beth oedd cyfanswm y grantiau sydd wedi'u rhoi mewn? Nid yw'n amlwg o'r papurau yr ydym wedi'u gweld beth yw'r gostyngiad o ran yr holl grantiau sydd wedi dod i mewn i hynny. Hefyd, mae adroddiadau wedi bod yn y wasg bod toriadau yn ystod y flwyddyn o ryw £4.4 miliwn. A allwch ddweud wrthym ba grantiau sydd wedi'u torri yn ystod y flwyddyn os yw'r ffigur hwnnw'n gywir? A ydych wedi cymryd y toriad hwnnw i ystyriaeth wrth ddrafftio'r ffigur hwn o £141 miliwn?

Aled Roberts: You refer to the fact that the grant is worth £141 million, but what was the total of grants that have been put in? It is not clear from the papers that we have seen what the reduction is in terms of all the grants that have come into that. Also, there have been reports in the media of cuts during the year of about £4.4 million. Can you tell us what grants have been cut during the year if that figure is correct? Have you taken that cut into account when drafting this figure of £141 million?

[227] **Huw Lewis:** Yes, I think I can give you these numbers exactly. The £141 million, as you say, is the consolidated grant fund. That would have been £152.6 million. So, the reduction is £11.6 million. There is a real reduction. The £4.4 million you referred to, I believe, is a figure relating to the school effectiveness grant.

[228] **Ms Daniels:** It is combined.

[229] **Huw Lewis:** Could you—

[230] **Ms Daniels:** Yes. As you said, local authorities have been asked to consider the scope to make savings in-year. They have been offered the flexibility to determine, according to local priorities and local need, where those savings might, most effectively, or most in the interests of protecting learners, best be made.

[231] **Aled Roberts:** Is the £4.4 million cut, according to the percentage of education spend, proportionate to each authority?

[232] **Ms Daniels:** I cannot remember precisely, but it would be, broadly, in that, if you receive more of a particular amount then you would be expected to save more in proportion to that.

[233] **Ann Jones:** Is it possible that we could have a note on that mechanism? It might help us. Go on then, Simon, very briefly.

[234] **Simon Thomas:** If the note could also—or possibly you could tell us this today, Minister. You have already said that these grants—the school effectiveness grant, for example—are part of the 1% protection, and you have confirmed that there is an in-year cut, so are you still confident that that 1% protection remains? The last time I looked at the figures, you were pleased to say that you had gone past the 1%, but it was a tiny bit past. If we are seeing cuts like this, it might take us below that 1%.

[235] **Huw Lewis:** I can certainly give you the breakdown on the 1%, which is a complicated gaggle of figures. It is important to also bear in mind, I think, that we have this £11.6 million reduction here and it is real. It is not good news. It is certainly something I would not wish to do. However, set against that, we also have a £44 million uplift in the PDG and, thus far, £12 million through Schools Challenge Cymru. So, those overarching political

commitments to, in that instance, take a long hard look at deprivation and underattainment offset and more the overall budgetary cuts. That is not to say, of course, that there are not schools that are going to find life very tough, and local authorities will have very difficult decisions to make.

[236] **Ann Jones:** We will move on to the implementation of ‘Qualified for Life’—David.

[237] **David Rees:** Minister, it was only a couple of weeks ago that you introduced ‘Qualified for Life’, the education improvement plan. In the statement on its introduction in Plenary you indicated that resources in the current climate could be an issue. Do you believe that the budget gives you the resources you want to deliver that plan? Are you able to tell us today how you will prioritise the four objectives through the funding?

[238] **Huw Lewis:** It is going to have to, is the answer. That is the situation we are in. The current envelope of spend has to be the resource we use in order to implement the plan. ‘Qualified for Life’ and those four strategic objectives you talk about are really about bringing a great deal more coherence and cohesiveness, if you like, to the current system. For instance, if you take the first strategic objective, which is an excellent professional workforce—. That is the phraseology we use. You unpack that, and what that means—. The key element of that is a new regime around continuing professional development for teachers. That is the new deal that is being talked about. So, in other words, we need to take the parcel of resource that we are currently spending on teacher in-service training and remodel that into something that is much more coherent, something that, for instance, is different from the current situation because it is available to every teacher, and something that is different from now because it is probably simplified in terms of the number of options that are available, but also is of a gold standard. I will be measuring each element of this, really, against the Master’s in educational practice, as the gold standard: is it practical, is it of the highest possible standard, is it value for money, and so on? That bullet point also contains a commitment to a complete remodelling of initial teacher training, so, very soon, when we have the report from Professor John Furlong about our teacher training set-up in Wales, we will digest that, and what I anticipate will then happen is that we will re-commission teacher training from our universities. We will start from scratch. We will re-describe what we mean by Welsh teacher training. I cannot anticipate what John Furlong is going to say, but my concerns would be things like the fact that we need subject specialist teachers to a far greater extent in primary schools. We do not have enough Welsh speakers; we do not have enough mathematicians; we do not have enough STEM specialists in primary schools. So, what does that mean for the university courses that we are going to pay for? We are not going to pay any more for them, but we are going to change our ask, if you like. We are going to redefine what we are asking universities to provide, and that will entail a fundamental reform of teacher training within Wales, with, perhaps, wholly new qualifications being delivered by universities, but it will have to be delivered—and this is just one of the strategic objectives—within the parcel of resources that we already use to pay for teacher training. That is the reality. I wish I had £25 million to oil the wheels of it.

[239] **David Rees:** I will come back to some of the strategic objectives in a second, but, on that particular point, you have actually separated now the action for teaching and leadership. You have introduced the new ITT strand—ELL, effectively. Is that so that you can actually focus clearly on the new model for ITT but also focus upon the delivery in CPD aspects? Why have you separated them? That is the question.

[240] **Ms Daniels:** It is largely an administrative change that reflects change of responsibility within the department. For example, ITT used to be the responsibility that sat under a team that leads on practitioner standards, but it is now a function that is lead on by the HE division, and so we have made some administrative changes to the structures of our budgets, just to reflect that internal reorganisation.

[241] **David Rees:** So, we are able to actually identify better value for money as a consequence of the additional line, in that sense, if you are talking about re-commissioning ITT.

[242] **Huw Lewis:** Yes, well, that was essentially an administrative change, really. I think that the purpose of that shift is to ensure that we really do have the full weight of the Welsh Government's HE expertise engaged in the reforms that we are going to be seeking. It was previously with a different division, but I have made sure that Huw and our team that relate to universities are going to be the people who actually relate to those vice-chancellors and the other key players in terms of redefining what we are going to be asking for. I thought that would be a much more sensible way of going about things, as opposed to it being a sort of budgetary alteration.

[243] **David Rees:** Also, on that point, you mentioned that that the new deal is about attracting more teachers, because you want to cover a wider range of staff, to encourage them to gain the expertise and skills. As a consequence, I noticed that the teaching and learning action figure went down, overall. So, you are talking about attracting more, but the money is going down. I know that you can give me the answer that there are cleverer ways of doing it, but, on this question of value for money, how will we ensure that what we are getting is the expertise in teaching that we want?

[244] **Huw Lewis:** I do not want to be secretive about this; part of it will be about making sure that we only ever spend money on professional development when we are sure that we are getting value from that product. My fear is that, quite often, a lot of privately provided in-service training for teachers at the moment is overpriced and underpowered, in terms of what it actually delivers. I think we need a simpler series of stepping stones for a teacher to be guided through as they develop their career. However, there will need to be a debate here also about how the professionals themselves step up and contribute to their own professional development. This is something that physiotherapists, nurses, doctors—. This is common practice among many professions, and there will need to be a discussion here about how this works.

[245] This goes along in parallel with the discussion about how we set up the education workforce council, which, of course, teachers and other teaching professionals will be a part of. That is evolving. So, how does the workforce council help in terms of making sure that resources are shepherded properly to be spent on professional development? However, you are right: the numbers are the numbers, and to have such ambition around continuing professional development for teachers—and I do not apologise for that level of ambition—will entail a conversation that will need to be had with professionals themselves about what they need to step up with in terms of contribution.

[246] **David Rees:** I will go on to another strategic objective, which is the curriculum. I noticed that you have allocated an extra £2.8 million, I think, for the introduction of the four new GCSEs, but an extra allocation of £1 million to implement Donaldson's findings. I would assume that Donaldson will create a greater number than four. Do you think that that actually is sufficient?

[247] **Huw Lewis:** The Donaldson figure—I should not say this, but it is a little bit of seedcorn money for the very beginning of the process, essentially. Donaldson will unveil his proposals in January or early February. It is an independent review; I do not know precisely what Graham Donaldson will say, but it is likely to be profound, and it is likely to mark a complete break with the national curriculum as we know it, from 1988 to 1989, when it was rolled out. The £1 million there is just for the initial work that we need to do in order to scope out the huge amount of heavy lifting and strands of work that will flow from Donaldson's

blueprint. So, it is there simply to maintain the first bit of momentum.

[248] **David Rees:** So, it is something to watch for in future budgets then.

[249] **Huw Lewis:** Yes, undoubtedly. Remaking a curriculum is no mean business; this will be years of concentrated effort, right across the educational community.

[250] **David Rees:** My final point is on the qualifications issue of this strand. Obviously, the qualifications Wales Bill is something that we are looking forward to in this committee.

[251] **Ann Jones:** We will not take a vote on that; we will move on quickly. [*Laughter.*]

[252] **David Rees:** Can you clarify the allocation, because that is an important aspect. [*Inaudible.*] Will it be regulatory in the first instance?

[253] **Huw Lewis:** Yes.

[254] **David Rees:** Did that influence your budget discussions at all in relation to the implementation of the qualifications Bill?

[255] **Huw Lewis:** Well, that is the reality of the situation at the moment. As you know, it is my stated ambition that we should move towards awarding, as well as regulation. My feeling is that Wales needs to have a self-sufficient system around qualifications. That is less risky than any other model I can think of, and it is akin to the Scottish Qualifications Authority. I think that that philosophy applies equally to us, and we will need to move towards it. However, in terms of where we are now, yes, it is just about regulation.

[256] **Ann Jones:** We will move on to post-16 education. A number of Members want to come in on this area. I will start with Lynne, and then I will come to Andrew.

14:15

[257] **Lynne Neagle:** Thanks, Ann. May I just ask what measures are being taken to mitigate the impact of reduced funding for FE where it is likely to be felt the most, for example, among part-time learners?

[258] **Julie James:** Thanks for that question. It is a really a fundamental part of the post-16 picture, unfortunately, at the moment. As you know, we have concentrated the funding on our priority areas. So, we have concentrated funding on under 19s, essential skills, higher-level apprenticeships and so on. That means that we have removed a fairly hefty amount of funding from the middle range of people who are in part-time learning arrangements. So, there are a couple of things that we are looking to do there.

[259] We have protected things such as Workers Educational Association Cymru and the YMCA, for example, so that support organisations for people in work or people who are working towards other sorts of qualifications, through their unions, and so on, still get that support. We have deliberately protected those budgets to do that. We have asked FE colleges—or ‘institutions’, I should say, because a lot of them are in consortia and so on now—to seriously look at how they deliver some of these programmes to make sure that the programmes are fit for purpose and that the programmes are also realigned to our national skills agenda, so that they are actually delivering a programme of work that local employers value, for example, and so on.

[260] In 2014-15, we introduced a skills priority programme and money was specifically allocated to doing exactly that piece of work, so, looking to see what skills were a priority and

whether all of the courses that we were delivering were delivering the outcomes for us that we wanted, or whether they were just hobby courses. I do not wish to denigrate hobby courses, which are extremely important in terms of mental health and inclusion, but, unfortunately, they are not a priority sector for this budget. Officials are working really hard at the moment to try to increase this by securing more match funding for that in the next round of ESF, but we are not in a position to say whether that will be possible at this time.

[261] The other thing that we are doing is that we are looking at what we are calling a ‘co-investment priority programme’. We are asking FE colleges to work with increasing numbers of circles of employers in their areas and we have regional support teams going into place to help them do that. We are asking those employers, basically, to step up to the mark where the skills that we are offering are specifically helping those employers to recruit already qualified people, or people who are part qualified who can then be brought up to a specific industry qualification or industry skills level, which benefits that particular employer, but perhaps is not of wider interest to the rest of the community. So, while not disguising, in any way, the difficult position in which we find ourselves here, we have done an enormous amount of work to try to mitigate that impact.

[262] **Lynne Neagle:** Thank you. In terms of 16 to 18-year-olds, there has been a suggestion that the reductions in budget will lead to maybe things like fewer subject options being taught or larger classes. How confident are you that that will not be the case?

[263] **Julie James:** Well, that crosses between the two parts of our portfolios. What we are looking at, of course, is getting people to work in these consortia arrangements. So, what we are doing with those is actually maximising the number of courses available to each learner after the age of 16, because of the consortia arrangements. I am sorry, this is bound to be a little bit of a caricature, but, obviously, the smaller the sixth form you are in, the fewer the courses available, because the institution cannot produce the numbers of teachers necessary to produce the range of courses. So, what we are doing is, the FE sector has worked well with schools with sixth forms in and inside the sector itself, in working out either mergers or collegiate arrangements, which mean that learners have access to the maximum number of courses while still being based in a particular institution. So, that work continues and will continue into the foreseeable future.

[264] **Lynne Neagle:** Is that something that you plan to monitor as the year goes on?

[265] **Julie James:** We do. You know that we are looking to change the structure of FE, because we have had this complicated—and I will have to get an official to explain it if you want it in great detail—issue about whether FE colleges are or are not part of Government spending and so on. As part of that arrangement, they will be freed up to do a number of things themselves, one of which is borrowing. We are monitoring carefully whether people are borrowing in a prudent fashion and whether they are borrowing at all. We do think that, in some instances, FE colleges could be slightly less risk averse—shall we say—and actually behave more like businesses. That is an ongoing piece of work as well. We expect them to lever money into that equation, using that route. If you want specific details on where we are with that, I will have to ask an official to come in.

[266] **Ann Jones:** It looks like every Member is going to ask a question on this; so, I am going to go to Andrew—

[267] **Andrew R.T. Davies:** Thank you, Chair. In the paper that we have before us there is a lot of talk about the mergers of FE colleges that have happened to date and the potential for mergers. Obviously, mergers have a big impact on the budget, if the paper’s analysis is correct. What is your assessment of the potential for further mergers, particularly the budgetary savings that might occur, given the evidence that you have no doubt have from

mergers that have happened to date?

[268] **Julie James:** Not all of the savings from mergers that have happened in previous years have worked their way through yet. As you know, sometimes when you have a merger, the costs increase slightly while you sort yourself out, and then you get the savings in later years; those are still working through the sector. I have to say that the sector has done very well in terms of mergers. It has worked hard and well with us. The sector has been highly co-operative and has seen the opportunities for itself and so on. That piece of work is ongoing. It is very much a matter for the sector, really, but we monitor the level of courses offered, the quality of those courses and so on.

[269] This sector also, of course, is very much in competition with the private sector. We must also be aware that there is a large number of private sector providers in the post-19 market in particular. These institutions need to behave more like businesses in competition with that sector, and they need to rethink some cultural issues around how they offer those sorts of courses, for example, to conglomerates of employers in their area. So, you may see some developments around trading companies, for example, that work between FE colleges and other providers and so on. However, that piece of work is very much in its infancy. This co-investment policy that we are taking forward—I am announcing it at various conferences over the next couple of weeks, and we have talked to a large number of employer organisations about it—will increase the level of competition in that marketplace as well. So, we are expecting efficiencies to come out of that.

[270] **Andrew R.T. Davies:** Are you expecting many more efficiencies, given that we are down to nine, I think, at the moment, if the paper is correct? Is there greater capacity out there to be driven to create more efficiencies, for the budget to be more effective?

[271] **Julie James:** Do you mean in terms of reducing the number of institutions that we have left?

[272] **Andrew R.T. Davies:** Across the board, where it is the number of institutions or more collaborative working to take some of the—

[273] **Julie James:** I do not think that we are, particularly, expecting wholesale mergers, as in ceasing to exist and becoming one organisation. The sector has done a lot of merging in the last couple of years. However, we are expecting a lot of collegiate working and that kind of thing. ColegauCymru, for example is in a very active conversation between all of the managing directors and chief executive officers—call them what you like; there is a slightly different model in each of these—about how best to deliver some of that work. We are also looking at developing really good links with some of our HEIs, because there is a flow through—lots of HEIs offer 16-to-19-type courses or they supervise those courses in FE institutions, and FE institutions offer foundation-type degrees and so on. So, there is a lot of traffic in this sector. It is not just about a particular group of organisations. Undoubtedly, there are efficiencies to be driven out of an overview of that as well, and that is a piece of work that is very much ongoing.

[274] **Andrew R.T. Davies:** The paper talks of extensive working and dialogue with the institutions on the 2014-15 budget allocations. Can you give us a hint of how those discussions have gone, and particularly how you are looking at taking them forward for the next budget round? From my reading of it, it seems as if it is quite a new approach, making sure that you are working in a more joined-up way with the institutions themselves on dealing with the budget pressures rather than just delivering the budget and saying, ‘There you are; get on with it’.

[275] **Julie James:** It is all part of the change in the status of many of the organisations, as

well. Hitherto, they have been much more a part of the Welsh Government family of organisations, if you like, whereas we are now moving them out and sort of launching them into adulthood, if you prefer. So, a different conversation has to be had with the group of institutions in that regard. I have not personally been involved in those discussions. I wonder whether Huw wants to say a few words about them.

[276] **Mr Morris:** Yes. I am happy to do that, Deputy Minister. We have a number of initiatives in place to enable the institutions to deal with these challenges. We monitor the financial health of all of the FE colleges and other providers to make sure that we are aware of any challenges that they may face. We talk to them collectively as a body, principally through ColegauCymru. We also have recently been to visit the governing bodies of each of those colleges, to talk to them in some detail about the challenges that they currently face and some of the ways in which they may want to consider dealing with these pressures in the future. We are also in the process of tendering for a leadership programme for FE colleges, so that we can draw together not just the current leaders of those institutions, but the next tier of leaders, and that they can be encouraged to draw on the experiences and learning of other, similar institutions across Europe, which have had to do similar things, in terms of becoming not just more efficient, but also more effective. There is much more spending by employers on training, so there is a great opportunity for these institutions to generate additional revenue, and there are also important lessons to be learned about improving the social inclusiveness that is achieved through education, and also the contribution to the economic development of Wales and its industries.

[277] **Andrew R.T. Davies:** That is a new state of play that has come in for this budget round and will continue, so it is a new relationship.

[278] **Mr Morris:** That is correct. We have been incredibly impressed by the professionalism of the leadership and governing bodies of these institutions and their ability to come together and work collaboratively with Government and other stakeholders to address these issues.

[279] **Ann Jones:** I have David, Simon and Aled, and then we will move on to higher education.

[280] **David Rees:** Thanks, Chair; I will be quick, in that case. Deputy Minister, I will clarify one thing: being bigger and offering more options does not mean that they are all delivered, because if you have eight students following a particular course, an A-level or a vocational course, it is very likely that that will not be a sufficient number to run that course. So, just because you have larger numbers does not mean that all those options are necessarily delivered. Our students may still lose out as a consequence of that, which is something that worries me, because I want to ensure that there is as much choice as possible and classes are the best size possible.

[281] However, if I move on to another point, I think you just answered Andrew R.T. Davies's question about discussing with employers in relation to post-19—that is mainly the message that I got—but are you looking at discussion with employers as to post-16 apprenticeships and approaches as well, so that you get partnership creation at that level?

[282] **Julie James:** Yes, that is absolutely right. What we are doing, of course, is trying to highlight the benefits of a vocational route through to higher learning, higher skills acquisition and so on. A large number of our big anchor companies are excellent in this regard. You have one in your own patch that is very good, and we have a number of people in the aero sector. We have quite a few sectors in Wales that have exemplary records in terms of assisting in schools in pre-16 and, indeed, in primary schools in many instances, about the kinds of subject choices that you need to be thinking about all the way through to a career in

GE Aviation. I choose that specifically, because I sat next to a young apprentice at an event this morning who was one of the most impressive young people I have met in a long time, one of a very small number of women apprentices there, although they are working hard to address that, and she had become inspired to do that by exactly that route—by the intervention of the employer in her education and training, and by the offer of small amounts of work experience and work tasters. That led her to believe that this might be a career for her. That is something that we want to use as an exemplar of what can happen.

[283] Having said that, we are also trying to get consortia of employers to work together, so that those that are convinced of the benefits of training their workforce and working together with the learning sector to do just that can convince those that are less convinced. We have a large number of SMEs, as I am sure that you are all aware, in Wales—it is always quoted as more than 90%—and any of those know that skills are essential to their survival and growth, but, sadly, many of them do not. So, we are working really hard to ensure that that message gets out loud and clear as well.

[284] **David Rees:** May I go back to the learner and the support for the learner? That is critical, and I welcome the Government's commitment to the education maintenance allowance, because that is very important to the young people who are in a situation where that makes a difference to their staying in education or not. However, can you break down the Welsh Government learning grant as to what it actually represents at the moment, namely the areas that it covers? Does it cover HE and FE as well?

[285] **Huw Lewis:** Yes. But, do you want it in its entirety?

[286] **David Rees:** Yes.

[287] **Huw Lewis:** Okay. [*Laughter.*]

[288] **David Rees:** A short answer.

[289] **Huw Lewis:** You caught me on the hop there. I will turn to Huw on this.

14:30

[290] **Ann Jones:** Please give a short answer, or we will be here until midnight.

[291] **David Rees:** Yes, a short answer. Can you give us, perhaps, a note for clarification, to make it easier for you?

[292] **Julie James:** So, are you looking for the split, or the exact numbers?

[293] **David Rees:** It would be nice to have the split and the proportions that you expect to have in each section.

[294] **Huw Lewis:** Huw can help with this.

[295] **Mr Morris:** I can give you a headline figure, and then perhaps we can provide you with a note after the meeting, with some more detail. I believe—I may have these figures slightly wrong—that in the academic year 2012-13, £25 million was provided to just over 30,000 EMA recipients, equating to £826 per student supported. So, that is the sort of quantum. Clearly, there are variations between individuals, but, as I said, we will provide a note on that if that is helpful.

[296] **David Rees:** Okay. To me, that is good news, because the more people we can help,

the better. I suppose, in one sense, there is a question of affordability. Are we still ensuring that that remains a priority of the Welsh Government?

[297] **Huw Lewis:** It is a priority of mine. It is there in the budget, and it is there despite everything. So, I think that speaks for itself.

[298] **Julie James:** Just on the EMA, we are aware as well that many people use the EMA for transport, which I know is a big issue for most Assembly Members at the moment. I am very personally committed to making sure that we ensure that those from the most deprived areas of our nation continue to be able to actually get to their post-16 learning opportunities, and EMAs are an essential part of that.

[299] **Ann Jones:** Everybody now wants to jump in and we have about 10 minutes left. Very briefly, John, if your question is on the EMA. I will then come to Simon and Aled.

[300] **John Griffiths:** It is on the EMA and what the EMA covers, Chair—maybe a note would be appropriate. I have a concern that, if pupils are staying on into the sixth form, for example, presumably they only get the EMA if they do a minimum number of courses or a certain amount of study. I am aware of students who are not doing enough, perhaps, to gain entry to university, even if they succeeded in their courses. They might be doing the Welsh baccalaureate and perhaps two other courses, either A-levels or vocational courses. I wonder what the minimum is that they have to do in order to get the EMA.

[301] **Huw Lewis:** I will have to ask Huw to remind me exactly of what the technical definitions are around the minimum, but it is important to remember the philosophy behind the EMA. The EMA is not just there for its own sake; it is there to promote the retention of young people in education, post-16. That is the thread and the logic that runs right through it. We have, incidentally, an evaluation of the EMA, which I think is being published tomorrow.

[302] **Julie James:** It is this week, anyway.

[303] **Huw Lewis:** Old Bell 3 Ltd, I think, is undertaking the evaluation, which will tell us more about the effectiveness of it.

[304] **Ann Jones:** Can we have a note on that? I want to move to higher education and I still have a couple of Members who want to finish off on further education as well. So, if we could have a note on the EMA, that would be helpful.

[305] **Huw Lewis:** Okay.

[306] **Ann Jones:** I call Simon and then Aled, and then we will go on to higher education.

[307] **Simon Thomas:** I will be as brief as I can. You have acknowledged, Deputy Minister, that there are some significant cuts to this sector and you have given reasons for those cuts. You have also sketched out some of the things that you hope might work in the future—European funding being one of them, and the co-financing model being another. I accept that you will have talked to a lot more companies than I have, but when I do talk to the SMEs in my region, the first thing they tell me is that the job seekers they come across do not have basic skills, full stop. Engaging with businesses of that kind to try to get them to engage in other learning and to be partly responsible for the financing of that, I would suggest at this stage, is going to be very difficult. So, what sort of feedback are you having from business, and is this a realistic model for Wales?

[308] **Julie James:** In terms of our priorities, obviously, people without essential skills remain part of our priority cohort. So, where people present as requiring basic numeracy and

literacy—

[309] **Simon Thomas:** I think that we are talking about the people who have the qualifications, but the employers do not find that they have them in a way that is transferable and usable in an employment situation.

[310] **Julie James:** I accept that, and I get that feedback from some employers, although not all. One of the things that I was just talking about is us undertaking quality assurance for some of the courses, to make sure that we are not having learners who are spending a lot of time acquiring qualifications that are not actually worth anything. We have done a comprehensive review already; that review continues as we go ahead. There are a number of courses that have stopped. I can think of one in a local college near me that a lot of people were taking, but, actually, at the end of it, they were not qualified to do anything in particular. We have had a good look at that sort of thing, and FE colleges continue to do that. The competition for employer money will drive that even further—obviously, employers will not pay money for a course that is of no value to them. However, I emphasise what I said in the Chamber yesterday that it is important to us that national occupational standards are attached to that, because I do not want a learner to get a qualification partly funded by the Government that only qualifies them to work in one particular factory. If the factory wants to pay for the whole of that qualification, great, but I think that Government money should be used for portable qualifications, and I remain committed to that. We are working hard to make sure that we keep those standards.

[311] One of the other issues that we have in Wales—. Again, forgive me, but when I was a member of the Enterprise and Business Committee before I joined the Government, one of the problems that we saw was in persuading people in many small SMEs—lifestyle companies, as they are called; a company that supports a family but has no plans or ambitions to grow—to use things like Jobs Growth Wales to get somebody into the company who had a bit of ambition, drive and so on. Then, all of a sudden, you have a product that will sell all over the world, and you have a chance to grow into something that you perhaps did not have the ambition for in the first place. I have met an enormous number of people who tell me that they thought that it was not worth taking on a young person—that it would be difficult, that they would be too hard to train and so on—but, having had the young person supported into their employment, they have completely changed around to the other side and are growing their company happily.

[312] These exemplars that I am talking about are well worth having for that alone. If you put one SME in touch with another and they say ‘No, you’re wrong; this has been fantastic’, we find that really useful.

[313] **Ann Jones:** Aled, very briefly.

[314] **Aled Roberts:** Your paper acknowledges a 37.5% reduction in part-time provision, and goes on to say that that has been offset in part by the skills priorities programme, which is worth about £12.5 million. I accept what you say regarding the WEFO funding, but that was a pilot programme up until December. Just to understand, does this budget for next year still have £12.5 million in it, albeit I accept that European moneys—

[315] **Mr Morris:** That is still subject to discussion, for reasons that you have identified about WEFO eligibility criteria or European Commission eligibility criteria for match funding going forward. We have not yet set the skills priority programme FE budget for this period, so that is an ongoing process.

[316] **Aled Roberts:** So, this budget does not have £12.5 million in it.

[317] **Mr Morris:** There is sufficient money for us to define the budget; the challenge is how we best spend that to ensure that we take best advantage of the European Commission matching requirements, because the criteria have shifted or are likely to shift within the period that this budget will apply to.

[318] **Aled Roberts:** Has any work been done on the impact that that would have on the individual institutions concerned?

[319] **Mr Morris:** Definitely, and that is very much a part of the basis of the conversations that are ongoing. I am very happy to provide a note for the committee or to engage in correspondence about the detail of that. We have not yet got a fixed figure.

[320] **Ann Jones:** Higher education—this is the challenge: it is about whether you get a first-class honours degree or a fail. We have about seven minutes to do higher education.

[321] **David Rees:** The biggest issue in higher education is tuition fees. I am going to assume that you will give me the same answer as you gave about EMAs, in that you are committed to the policy of continuing higher education fees and therefore the affordability is there.

[322] **Huw Lewis:** Yes.

[323] **David Rees:** That is the largest chunk of money for HE revenue, of course, but the Higher Education Funding Council for Wales has responsibilities for other areas, such as part-time provision and STEM subjects and their promotion. How do you ensure that those areas are prioritised by HEFCW to deliver what you want and the outcomes that the Government is trying to achieve, to increase the uptake of STEM subjects and to ensure the availability of part-time provision? That becomes more crucial today, namely the ability to undertake higher education through part-time means. How are you going to ensure that?

[324] **Huw Lewis:** Very simply, through the remit letter to HEFCW, the annual report received back from it, and, of course, through the partnership meetings that happen quarterly between me and HEFCW. That is the mechanism.

[325] **David Rees:** Okay. I look forward to seeing some of those responses, because I am very keen to ensure that STEM subjects and part-time provision are enhanced as much as possible. You have reduced by £1.8 million the coleg ffederal and the University of the Heads of the Valleys budget expenditure lines. Can you just give us an indication of what you expect the impact of that to be, particularly given the findings of the Old Bell 3 Ltd review?

[326] **Huw Lewis:** I think that the Deputy Minister is best placed to answer that.

[327] **Julie James:** The short answer is that a report has been prepared on the impact and that we have not yet had it. As soon as we have it, we will be able to report back to you, because we are aware that we want to get to the bottom of it, effectively.

[328] **David Rees:** So, at this point, we await the response.

[329] **Julie James:** Yes. When we get the report, we will consider a response and next steps. We will be able to report to the committee once we have got ourselves in order after the report.

[330] **David Rees:** May I ask one final question, Chair?

[331] **Ann Jones:** Yes, you can; go on, you are doing well.

[332] **David Rees:** On the contingency fund, on which there has been a bit of yo-yoing this year, you have indicated clearly that it will not be available next year to higher education institutions. That fund supports a large number of students who have difficulties and hardships as they progress through university. How are you going to ensure that universities are in a position to replace that fund and deliver the funding to those students who require it?

[333] **Huw Lewis:** First of all, we have to place this in the context of where the money lies now in higher education. The money does not lie in the way that it used to, through Government grants channelled through HEFCW in the way that it did. The proportion of money that travels in that way is now relatively minor. The money travels through student support and through student numbers, as they pass through into the institution. So, more than ever, universities, HEIs, have control over that resource as it passes through the gate. As long as they can maintain their numbers, then effectively Government is underwriting their resource. Over all, student numbers continue to healthily rise. So, the decision making over the financial contingency fund was indicative, I think, of difficult decisions that have to be made at the moment in terms of responsibilities as regards student support and where they ought to rest. I have agreed—because I have listened to articulate cases put by the NUS in particular—to step in for a year to maintain the status quo around FCF, but I have also signalled very firmly that that is the end of that way of doing things. Again, there will be the remit letter to HEFCW, the annual reports and constant regularised contacts between me and HEFCW and with HEW and so on, so I will expect the universities to show that they are picking up the tab for the FCF. It is £2 million; when you set that against the multimillion pound uplifts that our universities can expect in terms of income over the next, four, five or six years, year on year—double-figure percentage increases in their income every year for the next few years—I really think that the time has come for them to step up in that regard.

[334] **David Rees:** I accept that an increase is expected. That also depends on student recruitment being successful and the numbers being up.

[335] **Huw Lewis:** Yes, that is the world that they exist in.

[336] **David Rees:** Are you going to check it through the access and fees plans that come to HEFCW, to ensure that they are there to provide that support to students who come across hardships?

[337] **Huw Lewis:** Yes; I anticipate that that is how it works.

[338] **Ann Jones:** Look at that—we all have a first-class honours degree.

[339] **Aled Roberts:** May I ask a quick question?

[340] **Ann Jones:** There is always one in the class who fails. Go on, very quickly.

[341] **Aled Roberts:** I will just ask for a note. I have noticed that, in the paper, you state that, because of the budget, presumably, all of the proposals in the additional learning needs Bill White Paper will probably not be able to proceed. When will that—. I think that it is in paragraph 78.

[342] **Huw Lewis:** I am not sure what you are referring to, Aled.

[343] **Ann Jones:** Can we have a note on that? Minister, we are due to finish now, and there are a couple of questions on capital funding for the twenty-first century schools programme on which we will write to you. We will also write to you on Aled's point. That means that he will not get his first-class honours; he will just get a 2:1 and the rest of us will

get first-class honours.

[344] **Aled Roberts:** I am used to that. [*Laughter.*]

[345] **Ann Jones:** Thank you for that. I know that it was a quick canter through. There were a number of notes that you and officials were going to provide. Could we have those fairly quickly, because we have to respond to the budget process in time for the debate?

[346] **Huw Lewis:** Of course.

[347] **Ann Jones:** Thank you very much for your attendance here.

[348] **Huw Lewis:** Thank you, Chair.

[349] **Ann Jones:** The meeting is now closed. Thank you very much.

*Daeth y cyfarfod i ben am 14:45.
The meeting ended at 14:45.*