

**UPDATE ON WELSH GOVERNMENT RESPONSE TO RECOMMENDATIONS FROM THE CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITTEE REPORT: SCRUTINY OF THE WELSH GOVERNMENT DRAFT BUDGET 2018-19, DECEMBER 2017**

**UPDATE FEBRUARY 2018**

The Welsh Government's Draft Budget 2018-19 was scrutinised by the CYPE Committee on two occasions in November 2017. Following on from those sessions, the CYPE Committee completed its report containing 21 recommendations to which I responded formally.

This paper includes an update against Recommendation 7 of the Committee's report and deals specifically with the Education Improvement Grant for Schools and support for minority ethnic achievement and the education of Gypsy, Roma and Traveller learners.

As part of the scrutiny process of the Draft Budget, I outlined my thoughts to the Committee to include support for this area in my priorities for Local Government. This is something I considered carefully.

The Committee's recommendation was as follows:

On the basis of the evidence provided in our Education Improvement Grant: Gypsy, Roma and Traveller, and Minority Ethnic Children Report (February 2017) we urge the Cabinet Secretary to retain funding to support Gypsy, Roma and Traveller, and Minority Ethnic learners as part of the Education Improvement Grant.

In my formal response to the Committee I rejected this recommendation noting that there remained a number of considerations to be worked through.

Firstly, Local Authorities are responsible for school funding and have a duty to ensure appropriate learning provision is available for all learners. For more than a decade the Welsh Government has provided targeted additional grant funding to Local Government to support our minority ethnic, Gypsy, Roma and Traveller learners. Over that time Local Authorities have tried and tested arrangements and I fully recognise the expertise and experience in our schools and in those Local Authority services.

Secondly, what is clear to me is that this kind of support should not be allowed to be seen as additional. That is not sustainable in the long term and our expectations should be greater. I welcomed the CYPE Committee's inquiry into the EIG and though the evidence presented to the Committee was wide-ranging, varied and in parts contradictory, there seemed to be a clear call for sustainable and consistent funding arrangements. I believe one of the Committee's fundamental areas of concern was around Local Government accountability outside of hypothecated grant arrangements.

Local Government has long called for dehypothecation of grant funding, simplified arrangements, greater flexibility to deliver services and manage the pressures they have. These are Local Authority services and the Local Government Settlement remains the most sustainable way to fund core delivery.

And lastly, in prioritising funding to Local Government for schools, all Cabinet Secretaries and Ministers have had to make difficult decisions and consider a range of services and the ways they are funded.

I believe it is right and appropriate, therefore, that I have given due consideration to this matter as part of our whole government approach to support Local Government in discharging their duties. That is why I have written to the WLGA Leader on this matter over the past months. I have clarified my expectations, provided information to support their planning and have subsequently welcomed the assurances the Leader has provided on behalf of Local Government that they will continue to prioritise support for vulnerable learners from an early age including our minority ethnic, Gypsy, Roma and Traveller learners.

In seeking to deliver against these assurances, however, I have been made aware that some Authorities, specifically Cardiff, Newport and Swansea, which are the main centres of higher population density for these learners, have identified they will be negatively impacted on what they feel to be distributional issues.

Whilst I have been clear that this is not a grant transfer and not subject to the same processes, we are sympathetic to the representations made to us and have been working with the WLGA to find a solution.

I am pleased to say that we have agreed an additional £5 million from Reserves for 2018-19 which will alleviate the impact on our main urban authorities and we have confirmed the allocations in writing with the Chief Executive Officers; I understand this has been welcomed.

Moving forwards, in 2018-19 we wish to work with the main urban areas of Cardiff, Newport, Swansea and Wrexham to support them in preparing for the future delivery of support for minority ethnic and Gypsy, Roma and Traveller learners.

As we work with those authorities and the WLGA I am keen that we make the most of this opportunity to make progress against the policy approach the Welsh Government outlined in 2014.

Our policy statement highlighted that the then funding arrangements were not sustainable and Authorities needed to increase collaboration and partnership working in order to deliver services against growing need and pressured budgets in future. Estyn's evidence to the Committee indicated no significant change in delivery arrangements, despite placing the funding within a clear regional approach.

Therefore the Welsh Government is making a further £2.5 million available in 2018-19 to support the transition to place this work on a regional footing in line with the National Model for Regional Working.

I welcomed the Committee's inquiry into the EIG and as we work with the WLGA and the urban authorities to move to more sustainable future arrangements I will be mindful of the concerns you raised around accountability as we seek the best possible educational outcomes for our children and young people in Wales.

My officials are meeting with the Chief Executive Officers of Cardiff, Newport, Swansea and Wrexham and I will keep the Committee updated on progress.

Turning briefly to the issues of sustainable development and impact assessments, we have been mindful during this budget process of the requirements on Welsh Ministers under the Well-being of Future Generations (Wales) Act 2015 and to have due regard to the UN Convention on the Rights of the Child. I am sure that Authorities will similarly now wish to do so in the context of their budget setting processes.