

WELSH GOVERNMENT RESPONSE TO THE RECOMMENDATIONS FROM THE CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITTEE REPORT: THE WELSH GOVERNMENT'S DRAFT BUDGET 2023-24
MARCH 2023

We thank the Committee for their work undertaken on the scrutiny of the 2023-24 Draft Budget. We are grateful to the Committee for their feedback on the written evidence papers and during the oral evidence sessions on 11 and 18 January 2023. This report sets out the Welsh Government response to the 19 recommendations outlined in the Committee's report.

Recommendation 1. The Welsh Government must produce a Children's Rights Impact Assessment of its Draft Budget to demonstrate its compliance with the Rights of Children and Young Persons (Wales) Measure 2011, as set out in the Welsh Government's own Children's Rights Scheme

Response: Reject

We continue to maintain that an integrated approach to impact assessments enables us to better understand the impact of spending decisions, seeking to better understand the intersectional and unintended impacts of spending to maximise the impact of available funding.

Conversely the consideration of an area of impact in isolation risks unintended consequences such as the negative impact in one area being driven by a positive impact in another. A better understanding of the integration of different areas can enable more effective targeting of funding, ensuring that it can have the greatest impact.

We believe such an approach enables us to more effectively give balanced and due regard to the rights set out in the United Nations Convention on the Rights of the Child. This approach draws from a range of evidence and information including policy detailed policy impact assessments, including Children's Rights Impact Assessment (CRIA) undertaken as part of our ongoing policy development and review.

We remain committed to continually reviewing our approach to assessing impacts as part of the annual Budget Improvement Plan (BIP) and would be happy to explore how we can better reflect children's rights as part of this work. We are happy to offer a technical briefing on the SIIA and the improvements we are making through the Budget Improvement Plan to the Committee.

Recommendation 2. The Welsh Government should set up a cross-departmental working group to improve the quality and consistency of written evidence that it provides to Senedd Committees to support the Draft Budget scrutiny process, drawing on the good practice that already exists across governmental departments.
BGB

Response: Accept in Principle

As a Government we are committed to exploring how we can improve information about our budget decisions. The actions we are taking are outlined within the Budget Improvement Plan published by the Minister for Finance and Local Government alongside the Draft Budget.

We would be happy to consider the specific issues identified by the committee in relation to the evidence paper submitted to this committee.

The Minister for Finance and Local Government will discuss any broader concerns as part of regular engagement with the Finance Committee, recognising any improvements need to be proportionate.

Recommendation 3. The Welsh Government should guarantee the extension of the school holiday free school meals programme throughout the 2023-24 budget period: up to and including the February 2024 school holidays.

Response: Reject

We have made it clear, that the powers and the fiscal resources needed to reduce poverty and tackle the rising costs of living lie mainly with the UK Government.

Our budget for 2023-24 ensures we are able to continue to provide vital assistance to people struggling because of decisions made by the UK Government. We do, however, still face extremely difficult choices.

As the Committee is aware we received an extremely challenging settlement from the UK Government, and as a result we were unable to allocate further funding in Draft Budget 2023-24 to support the continuation of holiday food provision for those traditionally eligible for free school meals. However, where a defined need has justified the re-allocation of funding within year to support holiday provision this has been the case. In line with our past approach, this area remains under review and any decisions will be communicated through the normal channels.

Recommendation 4. The Welsh Government should create an additional Budget Expenditure Line within the Pupil Development Grant Action (or whichever Action it believes appropriate) for School Essentials, to clearly separate funding allocated to the Pupil Development Grant for schools on the one hand, and to School Essentials for families on the other.

Response: Reject

Whilst we welcome the desire of the Committee to have full sight of lines of expenditure and support the need to increase visibility of discrete budget lines, creating an additional Budget Expenditure Line would add additional complexity to Education budgets overall – indeed an ongoing area of work seeks to rationalise budget structures.

However, we can confirm that there is no obstacle to providing the Committee with a breakdown of individual budgets below Budget Expenditure Line level as part of future written evidence and we propose to rename the Pupil Development Grant (PDG) BEL to ‘Tackling Barriers to Attainment’ with PDG and School Essentials as two key budget lines which sit within it to provide more clarity in future. We propose that this name change is actioned for the First Supplementary Budget 2023-24.

Recommendation 5. The Welsh Government must clarify:

- whether schools must meet the costs of the 2022-23 academic year teachers' pay award using funding given to them via the Revenue Support Grant for the 2022-23 and 2023-24 financial years; and
- how much additional funding it expects to be made available to schools in 2023-24 compared to 2022-23 after the costs of the 2022-23 teachers' pay award have been met.

Response: Accept

In 2023-24, local authorities will receive £5.5 billion from the Welsh Government in core revenue funding and non-domestic rates to spend on delivering key services. This equates to an increase of 7.9% or £403 million on a like-for-like basis compared to the current year (£412m cash increase). No Authority receives less than a 6.5% increase.

As a result of spending decisions made in relation to education in England, Wales received a consequential of £117m a year in the Autumn Statement. This is being provided in full to local government and local government has confirmed it is prioritising funding to schools. Decisions on the level of funding available to schools and to other services are being made by each authority as part of their overall budget and council tax setting. Councils must determine their budgets no later than 10 March. Local Authorities are expected to meet the costs of the pay deal through the overall funding available to them; this includes the unhypothecated local government settlement, their own resources such as through council taxes and associated specific grants where appropriate.

Whilst discussions are still ongoing, the Minister for Education and Welsh Language's [Written statement](#) of 9 February sets out that, if the pay component of the offer were to be accepted, the Welsh Government would fully fund the cost of the additional 3% offer in 2022-23. The Welsh Government and WLGA will continue discussions around how the cost of the consolidated 1.5% increase in future years can be funded without impacting on school budgets.

Recommendation 6. The Welsh Government must commission an independent review into the Education Maintenance Allowance (EMA), which should report no later than December 2023. The review should consider:

- the impact of the EMA on learners' decisions to engage in further study;
- the impact of the EMA on learners' engagement with their studies once they have enrolled;
- the impact of the EMA on learners' ability to cope with financial pressures more generally, specifically in light of the cost-of-living crisis;
- in the context of the above, what the eligibility criteria and value of support for the EMA should be; and
- how that criteria and value of support should be kept under review in future years.

Response: Accept

We will start work to commission an independent review of EMA, accommodating the points made in the Committee's recommendation. Subject to timescales to undertake the commission and complete the review, we will endeavour to have a draft report by the end of December 2023.

Recommendation 7. The Welsh Government must publish the findings of the work it has undertaken since its March 2022 response to our report on the 2022-23 Welsh Government Draft Budget to understand what the allowance rate and income thresholds would look like today, for the same proportion of learners when compared to 2004, and how much additional budget that would require.

Response: Accept In Principle

Summaries of the work carried out on increasing the EMA rate have been provided through various responses to date, this has set out the additional budget requirement for a £45 per week rate being circa £8m per year, increasing to £15m+ per year if we increased thresholds without wider considerations. Welsh Government are unable to establish the equivalent number of eligible students as were supported in 2004 due to a lack of household income and dependant data. However, potential cohorts and

scale of impact for EMA can now be built into the independent review. Once finalised, this report will be published.

Recommendation 8. The Welsh Government must reconsider its decision to "maintain" the EMA which has, in effect, led to the EMA being of less real-terms value to fewer students.

Response: Accept

The findings of the independent review will inform any changes to the EMA Scheme.

Recommendation 9. The Children, Young People and Education Committee and the Economy, Trade and Rural Affairs Committee jointly recommend the Welsh Government should supply both committees with details of how the Ministers for Economy and Education and Welsh Language are working together on incentives for young people to remain in education, employment or training. This should include any work being undertaken as a result of the increased cost of living.

Response: Accept

We published the [Young Person's Guarantee Annual Report \(2022\)](#) on 8 February 2023.

The publication sets out the range of policies and programmes we have introduced to reach the National Milestone that '90% of 16 – 24-year-olds in Wales are in education, employment, or training (EET) by 2050' and to support young people and organisations in the face of the cost of living crisis.

This includes the refreshed [Youth Engagement and Progression Framework](#) which will play a key part in the early identification of potential NEETs in school and up to the age of 18.

It is built around understanding their needs, putting appropriate support or provision in place and monitoring their progression. The Framework also aligns with our

commitment to prevent youth homelessness and seeks to ensure young people are identified and supported before they reach a crisis point.

In April 2022, we launched [Jobs Growth Wales Plus \(JGW+\)](#), replacing the existing Jobs Growth Wales and Traineeship programmes. Under [JGW+](#), 16-18 year olds receive individualised support to equip them with the confidence, skills and experience to progress into further learning, find a job or remain in employment. Wage subsidies of up to 50% for the first six months and on-the-job training are available for businesses employing young people aged 16 to 18 through the scheme.

Since its launch (and by September 2022) 3,470 individuals have commenced JGW+, of which 1,270 have completed their programmes and with over 50% having had a positive outcome so far.

In January 2023, we introduced a range of further support to help young people during the cost-of-living crisis by reducing the financial barriers they may be facing in accessing and remaining on the programme.

The additional support includes:

- Doubling the rate of the Training Allowance to £60;
- A new free meal allowance;
- Temporarily allowing 100% of travel costs to be claimed (if undertaking training)
- Extending the eligible age range to 19 years old, for enrolling onto the Programme.

Separately, the cost-of-living crisis represents significant challenge to colleges, so we need to look at new ways of working. A new [£5m Innovation Fund](#) will allow FE providers to consider creative new ways of working and collaborating with others in the sector to benefit learners.

In terms of higher education we have previously taken the decision that the rate of support for students is linked to the value of the National Living Wage. In the 2023-24 financial year the [rate of maintenance support](#) paid to full and part-time higher

education students from Wales will increase by 9.4% for the 2023/24 academic year. In contrast, the UK Government has announced a 2.8% increase for students ordinarily resident in England.

The Annual Report sets out the range of other actions taken to date.

Recommendation 10. The Welsh Government must clarify its policy position on school reserves. Specifically:

- what funding streams schools can transfer to reserves;
- what schools' reserves can be used for, and specifically whether they can be used by schools for capital purposes (with the appropriate consent of the relevant local authority); and
- how it expects local authorities to work with schools to strike an appropriate balance between school autonomy and appropriate use of funds for pupils across Wales (including local authorities' use of their statutory powers to direct schools to spend balances above specified thresholds or otherwise recover those funds).

Response: Accept

Schools are responsible for managing their own finances. Reserves relate to any shortfall in expenditure relative to the schools' individual budget share plus/minus any balance brought forward from the previous year. The level of reserves held by an individual school at any point in time will depend on a number of factors. These will include the timing of receipt of income and of payments, the level of contingency fund the school governing body considers appropriate and the particular plans each school has for expenditure.

Governing bodies are allowed to use their budget shares to meet the cost of capital expenditure on the school premises. Local authority financial schemes set out local limits to which a school must notify its local authority for use of budget shares for capital expenditure and the process to be followed.

The School Funding (Wales) Regulations 2010 allow Local Authorities to direct a school governing body to spend a surplus in the school balance for the funding period, and subsequently to recover surplus balances over a set threshold. If a governing body does not comply with such a direction, authorities may recover all or part of that surplus and allocate it to the authority's overall Schools Budget to be recycled to schools or for the benefit of schools as determined by the authority.

The 2010 regulations specifies that a local authority's scheme for financing schools should prescribe for a statement from the governing body on what they plan to do with a surplus school budget which exceeds 5% of the school budget share or £10k, whichever is greater. Schools with surpluses should be subject to ongoing monitoring by local authorities to ensure that approved plans to spend their balances are delivered and within the timescales agreed with the authority. The purpose of such provision is to allow LAs to monitor excessive balances, not institute a general regime of control.

The Welsh Government has proposed a review of the School Funding (Wales) Regulations 2010 and has been working with stakeholders to seek their views. This includes reviewing provision around the prescribed levels of surplus balances and local authorities' abilities to take action where required.

We know that the high level of reserves reported in recent years is a temporary position due to school closures and reduced activity during the pandemic. We support local authorities in working with their schools to manage these reserves flexibly in light of these circumstances.

Recommendation 11. The Welsh Government should consider how the data it publishes on school reserves could illustrate the levels of school reserves according to factors such as the percentage of pupils on roll as a proportion of total pupil capacity, percentage of pupils on roll whose families meet the criteria for the Pupil Development Grant, percentage of pupils on roll who have been identified as having Additional Learning Needs, rurality, and any other factors that the Welsh Government sees fit.

Response: Accept

The Welsh Government publishes detailed statistical information on school reserves such as levels per pupil, by sector and year on year change on statswales. We also publish on 'My Local School', details of school reserves for each individual school alongside data on pupils eligible for eFSM, additional learning needs, English as an additional language, ethnic minority pupils and other data.

Recommendation 12. The Welsh Government should clarify the details of the cross-governmental expenditure which will support the growth of Welsh-medium education and the development of Welsh language skills in all educational settings.

Response: Accept

Funding for Welsh-medium education is provided from early years through to post-16, to make sure there is growth in Welsh-medium education and that pupils of all ages develop their Welsh language skills in all educational settings. In considering the important developments to the field of Welsh-medium education in the new curriculum, ensuring linguistic continuity from statutory education to all elements of post-16 education and training is vitally important.

Early Years

In 2023-24, we will continue to allocate £3.031m to Mudiad Meithrin, which contributes to the *Cymraeg 2050* target to expand Welsh-medium provision in the early years, as an access point to Welsh-medium education. Mudiad Meithrin also receive £0.730m per annum to manage the Cymraeg i Blant contract, which works to increase the number of children in Welsh-medium education through a series of free sessions for parents and their children.

As part of Co-operation Agreement's commitment to extend early years provision to all two year-olds, funded through the Health and Social Services MEG budget, there is a particular focus on providing and strengthening Welsh-medium childcare. In September 2022, we announced over £3.7m will be made available to Cwlwm over three financial years 2022-23, 2023-24 and 2024-25 to support the expansion of Welsh-medium early years provision, with some of that funding being provided to Mudiad Meithrin to deliver training courses.

Statutory Education

Local authorities have committed in their Welsh in Education Strategic Plans (WESPs) to ambitious targets to increase the proportion of learners receiving their education through the medium of Welsh to 30%, in line with the ambitions in *Cymraeg 2050*. We have already invested £112m via the Welsh-medium capital grant, which is on top of any investment through the Sustainable Learning Communities Programme.

We are also investing £6.6m of revenue funding over this Senedd term to support all local authorities to develop or expand their late immersion provision, which is supporting over 60 specialist late immersion teachers / classroom assistants.

A further £0.6m per annum is being invested in the E-sgol scheme to expand post-14 learning opportunities for learners to study Welsh-medium courses that may not otherwise be available to them.

Post-16

Post-16 funding for local authorities and further education colleges includes additional funding to deliver courses bilingually or through the medium of Welsh. For 2023-24 local authorities will receive £2.997m to support provision in sixth form schools and FE colleges will receive £3.902m for the 2023/24 academic year.

Apprenticeship providers will also receive additional funding to support Welsh/bilingual medium provision. This additional funding is calculated and paid monthly alongside providers' main allocations.

The Coleg Cymraeg Cenedlaethol, whose core funding stands at just over £7m per annum, works with colleges and apprenticeship providers to increase capacity in the post-16 sector, with the grant supporting the Further Education and Apprenticeships Welsh-medium Action Plan. In higher education, funding directly supports Welsh-medium provision in universities and the Welsh-medium scholarship scheme.

In line with the Co-operation Agreement, an additional £8m has been invested up to 2024-25, to invest in the Coleg to increase Welsh-medium delivery in the apprenticeship and further education sector, and the National Centre for Learning

Welsh to provide free Welsh language learning for 16 to 25-year-olds and teaching staff.

Recommendation 13. The Welsh Government must set out its plans for the Welsh Language Sabbatical Scheme for 2023-24, including total funding allocations for the programme, anticipated numbers of applicants, the support - financial or otherwise - provided to schools to enable teachers to go on the sabbatical, and how it monitors and evaluates the effectiveness of the programme.

Response: Accept

As outlined in the Minister for Education and Welsh Language's evidence paper to the Committee, £3.6m is allocated to the continued delivery of the Welsh Language Sabbatical Scheme in 2023-24. Officials are still working with providers and regional consortia to finalise the programme of courses, which will likely include 16 courses at various levels for approximately 232 practitioners. Information about the various levels of courses can be found on [Hwb](#).

There are three elements of expenditure as part of the Sabbatical Scheme. Funding to deliver the courses are made to three providers through a procured contract. The cost for the delivery of the courses in 2023-24 will be in the region of £0.930m. The second element of funding is to cover the cost of releasing practitioners from schools to undertake the courses. The supply costs are paid to the schools to secure the release of the practitioners for between 5 weeks and one year (subject to the length of the course). The approximate total expenditure on supply costs is £2.6m. The third element of the funding is to cover additional travelling costs for practitioners to attend the course locations. The approximate total expenditure on travel costs is £0.070m based on actual claims by individual practitioners.

Schools are supported by the regional consortia and local authorities to identify practitioners to undertake the different courses. This is to ensure that we are targeting practitioners who can make a difference when they return to school. A 'next steps' pack has been developed to support practitioners as they return to schools once they have completed the courses and the regional consortia and local authorities also

monitor their progress and provide support to make improvements to the teaching and learning of Welsh.

Recommendation 14. The Welsh Government must set out clearly via a diagram, or otherwise, the governance structures overseeing the evaluation and delivery of the Young Person's Guarantee and Degree Apprenticeships programmes.

Response: Accept

Whilst overall responsibility for the Young Person's Guarantee sits with the Minister for Economy, it is a key Programme for Government commitment with cross-Cabinet involvement in its delivery. The main Programmes and schemes (as well as lead Minister responsibility) identified within scope of the Young Person's Guarantee are summarised in the table below.

| Minister for Education and Welsh Language | Minister for Economy |
|--|--|
| Sixth Forms | Working Wales |
| Further Education (Full Time) | Apprenticeships – including Degree Apprenticeships |
| Further Education (Part Time) | Jobs Growth Wales Plus |
| Local Authority Adult Community Learning (ACL) | ReAct Plus |
| Renew and Reform | Community Employability Programmes |
| Educational Maintenance Allowance | Self-Employment Support |
| Personal Learning Accounts (PLAs) * | |
| Higher Education Student Support | Wales Union Learning Fund |

** PLAs is a joint portfolio commitment but lead policy and budget responsibility resides with the Minister for Education and Welsh Language.*

Annex 1 of the aforementioned YPG Annual Report (2022) sets out the statistical outputs and datasets relevant to the YPG, which alongside our National Conversation and a range of other survey and evaluation work, will inform the design and monitoring of the programme. We aim to provide a fuller analysis of the emerging data and

findings later in the year noting that the sources relate to a mix of academic and financial years with some requiring stringent verification before publication.

The main programmes that sit under the YPG already have individual evaluation mechanisms and following the first anniversary of the YPG, we are in the process of commissioning an external supplier to undertake a Formative Evaluability Assessment and Process Evaluation of the YPG. This work is set to run until summer 2024. This work will provide a framework for a robust, systematic and timely assessment of the design, implementation, outcomes, and (where possible) the impact of the YPG on young people and other stakeholders in Wales.

There is a YPG Programme Board and Plan for Employability and Skills Board at official level, which includes officials from both portfolios and the majority of officials who lead on YPG matters are under the same Director General.

In relation to Degree Apprenticeships, the Minister for Economy has responsibility for degree apprenticeship policy, but the programme is jointly funded by the Minister for Economy and the Minister for Education and Welsh Language. This arrangement reflects the drive to support work-based higher education, the development of priority sectors in Wales and helps broaden the HE offer in Wales.

Degree Apprenticeship funding is allocated to HEFCW each year to deliver the Programme on behalf of the Welsh Government. HEFCW issues an annual circular inviting regulated HE providers in Wales to submit proposals for funding delivery of degree apprenticeship programmes in priority areas of digital, engineering and advanced manufacturing. Principles prioritised within HEFCW's guidance include: collaboration across education sectors to ensure progression pathways are established; individuals from groups underrepresented in HE are supported; and programmes contribute to the Welsh Government's Welsh Language Strategy to achieve a million Welsh speakers by 2050. Proposals are considered by a panel chaired by a HEFCW Council member and including membership from the Welsh Government, Industry Wales and HEFCW officers against criteria set out in the guidance.

HEFCW and Welsh Government officials meet monthly to review and monitor progress with the programme including recruitment, progression and quality and financial performance.

A formative evaluation of the Degree Apprenticeship Programme in Wales was commissioned in 2020, to assess its effectiveness, efficiency, and initial impact [Evaluation of the Degree Apprenticeship programme: final report | GOV.WALES](#).

The evaluation report provides background and history to the development of degree apprenticeships in Wales and also includes the development of an outline impact framework and cost benefit analysis model for future usage on any evaluation of the degree apprenticeship programme.

Recommendation 15. The Welsh Government must set out the following:

- How the Welsh Government engages with the further and higher education sectors to develop its strategic approach to supporting and developing research and innovation.
- The mechanisms by which civil servants from different Welsh Government departments work together to develop policy and funding proposals for Welsh Ministers' consideration.
- The mechanisms by which relevant Welsh Ministers consider and agree the proposals from their officials, and how decisions are made about allocating funding across their portfolios.
- How the Welsh Government monitors and evaluates the value for money of its investments in research and innovation.
- How the Welsh Governments works alongside other UK governments and post-16 educations establishments outside Wales in relation to the above.

Response: Accept

The Welsh Government has a productive and mutually beneficial relationship with the Wales Innovation Network (WIN), a HE initiative intended to foster collaborative and strategic research development in Wales. Government officials also participate in the

HEFCW Research Wales Committee which supports HEFCW Council in its role as Research funder.

Within the FE sector, the Knowledge Transfer Programme supports colleges to bring in expertise from external technical specialists to inform professional development for the workforce. This takes the form of workshops, lectures, job-swaps, and research, that aims to upskill teaching staff, to maintain their specialist sector knowledge and improve curriculum development. In addition, as part of our approach to Professional Development, we are working with the University and College Union to increase the opportunities for staff to engage in Action Research projects.

Through the annual remit letter, which sets out Ministerial priorities for HEFCW and the sector, the Welsh Government allocates funding for distribution to the sector. The Ministerial letter is issued following consultation with colleagues across Welsh Government departments, including with research and innovation colleagues, and outlines cross-government priorities relating to higher education. HEFCW allocates a large part of this funding, more than £105m in total in 2022/23 academic year, to support research, innovation and engagement activities.

A current example of collaborative working with the sector is the Sêr Cymru Programme, supported by EU funding, which has operated in a spirit of partnership and in close dialogue with the research Chairs, as well as with the respective HE institutions in Wales. There has been a close working relationship which has evolved over time. More recently this includes WIN and has encouraged open discussion around issues such as UKRI funding and research priorities for Wales.

The current Programme (Ser Cymru 2) closes on 31st March and is heavily monitored by the Welsh European Funding Office (WEFO) and subject to detailed scrutiny and process. There will also be an End of Programme evaluation which has already been commissioned. Moving forward, a new phase with reduced level of funding, due to the shortfall and delivery arrangements of replacement EU funding from the UK Government, will need to operate in an entirely different way from the current EU hybrid model. The framework for the next phase will remain flexible in order to review and respond to emerging priorities, enable alignment with existing activities internally

and externally, and to ensure research excellence and collaboration opportunities in Wales are maximised.

Within Government, there are a series of mechanisms for cross departmental working on research and innovation. The Research and Innovation Strategic Engagement (RISE) Group was established in 2019 to provide greater awareness and coherence for research and innovation across Welsh Government officials working in the different ministerial policy and delivery divisions related to R&D. Monthly meetings were established to provide a forum to facilitate the exchange of information, coordinate intelligence, to consider communication with relevant UK departments and to consider and agree Welsh Government responses in relation to external policy or strategy influences such as those originating from UK Government.

The process of developing a cross Government strategy, such as the Innovation Strategy, ensures engagement with departments across Government and with stakeholders, to ensure coherent policy priorities are included. The Innovation strategy is vital for growth and skills development in our established research and innovation base. It will provide an evidence-based strengths analysis, which will be a guide for research bodies and other stakeholders on how to channel their activities towards the Strategy's missions.

Through regular engagement with the HE and FE sector, officials are aware of opportunities for further investment if funding becomes available, either internally or through external sources of funding. Depending on the nature of these, they may be discussed with officials across Government; anything relating to R&D will necessarily involve consideration by officials responsible for research, development and innovation to agree how, and in support of which priority areas, funding should be allocated. Proposals are submitted to Ministers for consideration in line with our well-established processes. Where issues cut across portfolios all relevant Ministers are included in the advice and the decision-making process.

A recent example is the funding provided by UK Government as a consequence of the lack of a decision on association to the Horizon programme or its alternative 'Plan B'. The allocation of this funding to HE research was agreed by the relevant Ministers

including Education, Economy, Finance and the First Minister. Officials work closely with UK Government, Scotland and Northern Ireland officials on areas of mutual interest, including R&D funding. There are regular meetings with four nations officials and representatives from national funding bodies. The loss of EU funding means a close working relationship is essential and Ministers have made representations to UK Government that the Welsh Government must be involved in the development of other sources of UKG funding streams.

In order to evaluate impact and value for money, there are well established mechanisms relating to arm's length bodies. The Minister meets quarterly with the Chair and/or CEO of HEFCW to review progress against the remit letter activities. HEFCW and WG officials also have formal quarterly monitoring meetings in addition to the regular informal engagement that takes place between officials to keep in touch on issues and challenges affecting the sector and to discuss progress on particular areas of activity.

The Research Excellence Framework exercise is a respected UK framework for assessing the impact and quality of research. This provides a rich picture of the breadth and depth of research in Wales, and helps to identify areas of excellence. Other measures, such as competitive grant capture, collaborative partnerships, international impact, academic-corporate collaboration and researcher output can all be used to assess the performance of the research system in Wales. In 2021 the Chief Scientific Advisor for Wales published [A performance based assessment of the Welsh research base](#) which demonstrated the effectiveness and efficiency of the research sector.

Recommendation 16. The Children, Young People and Education Committee and the Health and Social Care Committee jointly recommend that in its responses to our reports, The Welsh Government's Draft Budget 2023-24 and at 6-monthly intervals thereafter, the Welsh Government must provide both committees with data, broken down by local health board, setting out:

- waiting times for the first appointment with CAMHS;
- the proportion of young people who are offered second appointments; and

- the waiting times for second appointments.

Response: Reject

Data on specialist CAMHS first appointments, showing either the percentage of patients waiting less than 28 days for a first appointment, or the actual numbers, are already reported on monthly basis: [First appointment waiting times \(gov.wales\)](#).

Data on under 18 Local Primary Mental Health Services, showing referrals to assessment, waiting times for assessment and waiting times for therapeutic interventions, are already reported: [Part 1: Local Primary Mental Health Support Services \(gov.wales\)](#).

Data is not collected on follow-up appointments, but we aim to improve data on outpatient follow up as part of the work on the mental health core dataset and we will update the Committee in due course on this work.

Recommendation 17. The Welsh Government must clarify the following in relation to its programme of work to reduce the significant costs of employing agency social services staff on local authorities:

- The programme's terms of reference
- Key timelines relating to its delivery
- The stakeholders that will work alongside the Welsh Government
- The programme's governance arrangements: how the work is being delivered, monitored and evaluated
- Estimated funding allocated to the programme per financial year

Response: Accept

The programme of work to support local authorities in reducing the costs of employing agency social services staff is being led by the Association of Directors of Social Services (ADSS) Cymru.

Supported with funding from Social Care Wales for the project, ADSS Cymru is leading work to review the costs of agency workers in children's services, bringing together

the thinking around agency work into a series of recommendations for local authorities to consider, and linked to a memorandum of cooperation.

This initial phase of work, in which Welsh Government is a stakeholder, will include undertaking a deeper dive into the data collected by Social Care Wales to ensure a comprehensive understanding of the Agency landscape, plus analysis and development of Memorandum of Co-operation (MOC) for Wales.

ADSS Cymru have agreed to share the draft Terms of Reference document with the committee (see Annex 1).

Welsh Government is not directly funding this programme of work and no allocation has been made. Social Care Wales have provided support from their grant in aid settlement to support the work to the end of this financial year.

Recommendation 18. The Welsh Government must provide a project-level breakdown of the of the looked after children change fund, the radical reform fund, and funding for the elimination-of-profit from foster care. That breakdown must include a summary of the purpose of those projects, their key deliverables, funding allocated to - and timetables associated with - their delivery. The Welsh Government should also explain why this information was not provided to the Committee in its written evidence submitted to us on 21/12/2022 as requested.

Response: Accept

We apologise for not providing the full information requested in the written evidence submitted to Committee on 21 December 2022. I understand the Committee needs as full a reply as possible to its requests for information. However, we were in a formulative stage at that time and have undertaken a range of activities which have informed our decisions on how to target and shape use of the different funding streams and enabled us to provide the Committee with a better and more detailed response.

This work includes:

- A programme of Ministerial local authority visits - we are now approaching the end of a series of ministerial visits held with every local authority in Wales to discuss transformation of Children's Services and Programme for Government commitments.
- Transformation Programme Governance - we have also now established our new governance structure to oversee our work programme to Transform Children's Services in Wales and the first meeting of the Transformation Delivery Group was held on 24 January.
- Placement Commissioning Strategies - we have analysed the Placement Commissioning Strategies of all our local authorities and identified where further work and support is needed
- Care Leavers Summit - We have analysed feedback from the Inaugural Care Experience Summit. The feedback has informed our plans for allocation of our different funding streams.

The additional information requested by the Committee on the project-level breakdown for the looked after children fund, the radical reform fund and funding for the elimination-of-profit from foster care is provided at Annex 2.

Recommendation 19. The Welsh Government must produce, within 6 months, the development of an action plan to eradicate child poverty in Wales. The action plan must set out clear, costed, deliverable, measurable and time-bound actions that are within the gift of the Welsh Government to take to eradicate child poverty in Wales.

Response: Accept in Principle

As is acknowledged by the Committee, the levers the Welsh Government has to tackle poverty, and in particular child poverty, are limited. To substantially reduce child poverty levels, let alone eradicate child poverty completely, would require a radical change in the approach taken by the UK Government. For example, we have repeatedly called on the UK Government for changes in the two-child limit, the benefit cap and the five-week wait for the first Universal Credit payment to help tackle child poverty.

Nonetheless, we recognise that a co-ordinated approach within the Welsh Government and with delivery partners across Wales with clear aligned actions at a National and local level and across all sectors has the potential to achieve positive change and have a lasting impact.

The Welsh Government's Children and Families (Wales) Measure 2010 sets out our broad aims for contributing to the eradication of child poverty and outlines our duty to publish and review a Child Poverty Strategy for Wales.

Given the impacts of the pandemic, the longer-term impacts of the decision to leave the European Union and the cost of living crisis the most recent Welsh Government actions on poverty have focussed on mitigating the immediate impact of poverty. Whilst this essential work needs to continue, there have been increased calls for the Welsh Government to revise its Child Poverty Strategy to better reflect the current situation, and for the Welsh Government to provide strategic direction at a national level for stakeholders and partners to align with and focus their own delivery. Against a backdrop of real challenge related to the immediate needs of children, young people and their families, a long-term approach to tackling the root causes of poverty is more important than ever if we are to have a measurable and lasting impact on poverty in Wales.

The Minister for Social Justice has committed to revise the Child Poverty Strategy for Wales by the end of this year. The revised strategy will provide the framework to underpin existing and emerging policies under which the immediate and long term needs of children in poverty and their families are delivered. The strategy will also set out a longer-term approach for action across government and wider stakeholder in Wales to support the ambitions of the Wellbeing of Future Generations (Wales) Act 2015, improving wellbeing and outcomes for children as they grow and in the future.

The Programme for Government sets out clear ambitions to deliver a more prosperous and a more equal Wales and to create better outcomes for people now and in the future. Tackling poverty and associated inequalities is at the heart of these ambitions. The Welsh Government is engaging widely with partners across Wales on the co-

construction of the new Child Poverty strategy to demonstrate valuable stakeholder and lived experience of poverty on a cross government basis.

We are also exploring steps which would follow the strategy publication. This includes a proposal to work with partners to develop a monitoring and impact framework that will be used to identify the evidence to measure and report on the impact of the strategy, of Welsh Government actions and of stakeholders actions across Wales on child poverty.

Annex 1 – ADSS Cymru draft Terms of Reference



ADSS Cymru

Yn arwain Gwasanaethau
Cymdeithasol yng Nghymru

Leading Social Services in Wales

Terms of Reference – Task & Finish Group Stabilising the Children’s Recruitment Agencies

Background Information: -

It is recognised that the current marketplace and cost for Agency Social Workers is having a significant impact on the ability of local authorities to undertake their statutory duties across Children and Adult Services.

ADSS Cymru have recognised that a more collaborative and forward-thinking approach is required to address the issue inherent in the workforce, combining both short-term actions with a commitment to a more strategic approach.

Therefore a Task & Finish Group has been set up to provide local knowledge and expertise to the overall project and medium and longer term strategy.

The Task and Finish Group is accountable for :-

- Establish and maintain collaboration between authorities and regions
- Removing obstacles to the successful delivery of the project plan
- Maintaining at all times, the focus of the Group on the agreed scope, outcomes and benefits
- Monitoring and managing the factors outside the group’s control that are critical to its success
- Escalating new risks / challenges to the attention of ADSS Cymru

Term

This Terms of Reference is effective until January 2024 and will be ongoing until terminated by agreement between the parties

Membership

The Task & Finish Group will comprise of:-

- Chair of Heads of Children’s Service [Project Sponsor]
- Lead Director of ADSS Workforce Leadership Group
- Workforce Lead – ADSS Business Unit
- All Wales Heads of Children’s Representatives
- Commissioning Managers Representatives

- HR Representatives
- Social Care Wales Representative
- WLGA Representative
- Welsh Government Representative
- Project Team Members

The membership of the task and finish group will commit to:

- Attending all scheduled Task & Finish Group meetings
- Wholeheartedly championing the ambition of this project within and outside of work areas
- Sharing all communications and information in a timely manner
- Making timely decision and taking action so as to not hold up the project
- Notifying members of the Task & Finish Group, as soon as practical, if any matter arises which may be deemed to affect the development of the project

Meetings

- All meeting will be chaired by the Chair of All Wales Heads of Children's Services. Should the Chair not be available, then the meeting will be chaired by Jenny Williams, ADSS Cymru Lead Director – Workforce.
- A meeting quorum will be approximately 28 members of the task and finish group
- Decisions made by consensus (i.e., members are satisfied with the decision even though it may not be their first choice). If not possible, the task and finish chair make final decision
- Meeting agendas, high level summary of the meeting and an action log will be provided by the ADSS Cymru Business Unit
- Meetings will be held monthly- 6 weekly for up to 1.5 hours via Microsoft Teams.

Annex 2 – Project level breakdown for the looked after children fund, the radical reform fund and funding for the elimination-of-profit from foster care

1. Looked after Children Change Fund

Below are details of the overarching budget for the Looked after Children Change Fund.

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--------------|----------------|----------------|----------------|----------------|
| Change Fund* | £6,089m | £3,685m | £4,397m | £2,826m |

* These are approximate figures given the nature of the fund which is supported by repayments from previous investments made by the Invest to Save Fund and therefore subject to change.

Overarching purpose of the Looked After Children Change Fund

The Looked After Children Change Fund was created in 2021 from the residual Invest to Save Fund. The purpose of the Fund is to support the Welsh Government's Programme for Government agenda relating to looked after children and young people.

The budget remains in the Finance and Local Government MEG and has been made available to Welsh Treasury and Social Care policy officials to enable them to come forward with properly developed proposals with partner organisations.

Over the next three years it is intended the Looked after Children Change fund will support the following areas:

Parental Advocacy

Amount of funding

£1.6m over 3 years (2023/24 – 2025/26)

Purpose of funding

The role of parental advocacy is to support parents whose children are on the edge of care to positively engage with social workers, third sector organisations, the family courts and other professionals to resolve issues that are negatively impacting their family. This can help to avoid statutory social services involvement, escalation of needs and reduce the risk of children entering the care system.

Parental advocacy services are currently operating on a limited scale in some local authority areas. We are working with existing third sector providers (National Youth Advocacy Service (NYAS), TGP Cymru and the Parent Advocacy Network (PAN)) to help scale up their local services on a regional footprint, ahead of spreading into other areas of Wales, as part of the national roll-out.

Deliverables/details of project

Both NYAS and TGP Cymru will provide face to face independent professional advocacy provision to those with parental responsibility for children and young people

under the age of 18 and who are subject to a plan of support or intervention from the local authority statutory services. Through this provision it will address a diverse range of issues experienced by parents, including poverty, homelessness, health and mental health, employability.

Families will access one to one parent advocacy support to help identify and resolve issues and will be supported at meetings to promote their voice and navigate systems. Parents will also be able to access peer support forums/networks.

The PAN proposal is to create a Parent Peer Advocacy and Support Service (PPASS) working with a third sector organisation with the aim to promote parent voice, strengthening families and employing those with lived experience.

The project will enable parents to participate more actively in the planning for their children; feel more confident and able to express their concerns and priorities; be less isolated and more connected with others; access other support services more effectively and create a bridge between professional and parents which will strengthen trust and relationships leading to better outcomes for children.

Foster Wales

Amount of funding

£4.436m over 4 years – 2022-2026.

Purpose of funding

To support the 'Foster Wales' brand and network for local authority fostering, which was launched in July 2021. The 'Foster Wales' network brings together the 22 not-for-profit local authority fostering teams across Wales.

Foster Wales has intrinsic links with the Programme for Government commitment to eliminate private profit from the care of looked after children and the need to build sufficiency in the public sector for the care of looked after children. The work of Foster Wales is fundamental to supporting this agenda.

Deliverables/details of project

Foster Wales has submitted a proposal seeking investment to make a difference in three critical areas needed to deliver against the PfG commitment outlined above:

(a) Dedicated Recruitment Officers

A dedicated Foster Wales Recruitment Lead will be introduced for each local authority in Wales, which will ensure there is capacity across the whole of Wales to improve response times and ensure a customer focussed, positive and responsive experience for applicants. This will ensure that every local authority is consistently ensuring prompt and positive completion of recruitment calls, expressions of interest home checks and initial visits.

(b) Assessment & Support Capacity

Funding will be distributed equally to each local authority area to grow dedicated in house capacity for assessments and support for new and transferring foster carers. The use of this funding will be flexible and will be based on the individual local authority

needs. It will be co-ordinated nationally through Foster Wales which will ensure that the money is only directed towards the assessment and support of mainstream foster carers. There will be an increase in capacity within the local authority to support assessment and support capacity for foster carers.

(c) Maintaining Infrastructure

Funding will provide the comprehensive governance and development of Foster Wales and the implementation of all its priorities. The funding will allow for a fully funded and sustainable central team for Foster Wales needed to support the PfG commitments outlined above.

Adoption

Amount of funding

£1.6m over 3 years to the National Adoption Service.

Purpose of funding

To sustain current improvements to the adoption service in Wales and to reform adoption in Wales through supporting improvement across the regions, scoping an Access to Records scheme for adult adoptees and creating online modules for an adoption aware workforce.

Deliverables/details of the project

1. Sustaining Priority Activity:

- TESSA - provides trauma informed early support and intervention for families with emerging needs through providing psychological evaluations of adopted children's needs; partnering parents with experienced and trained adopters; and running 6-week trauma informed parenting courses.
- Marketing and Public Relations - various marketing and PR activity to increase the number of adopters and support.

2. Reforming Adoption:

- Transition and Early Support - focuses on the use of trauma nurture timelines and 'understanding the child' days.
- Adoption Support - will provide proactive support plans and keeping in touch with high need adolescents.
- Contact and birth parents - Active offering of contacts, one off meetings between birth parents and adopters, regular review and increasing levels of sibling contacts.
- Wales Early Permanence Implementation - A part time national co-ordinator to be appointed to support implementation in regions and LAs across Wales.
- Scoping a Wales Access to Records Service - NAS wishes to develop an improved national access to records service possibly linked to a peer support service run by adult adoptees for adoptees accessing their records.
- Adoption aware workforce - Improving knowledge to build an adoption aware and responsive workforce.

Step-Up Step-Down Pilot Scheme

Amount of funding

£879,000 for 3 years (2023/24 – 2025/26)

Purpose of funding

Step-Up Step-Down is a programme run by The Fostering Network which aims to reduce the numbers of children coming into care and improve outcomes for children and families.

Through the programme, highly trained family support foster carers provide time limited, preventative support to up to 4 families at any one time. The family support foster carers mentor their families and offer short breaks for children, offering stability and giving parents time to address their challenges with support.

Deliverables/details of the project

The project will deliver 2 Step-Up Step-Down pilots in Wales over 3 years with the aim of realising the following outcomes:

- Reduced number of children becoming looked after;
- Increased number of children experiencing sustained reunification with their family.
- Parents gain capacity, skills and knowledge to overcome adversity and create safe, stable family relationships.
- Children will have tools to help them self-regulate; parents will be able to co-regulate their children.
- Parents and children will develop stronger connections to their communities, strengthening the support available to help prevent and address crises.
- Increased capacity of parents and children to learn and grow as a family; more parents and children will take advantage of opportunities for learning.

2. Radical Reform Fund

Below are details of the overarching budget for the Radical Reform Fund.

| | 2022/23 | 2023/24 | 2024/25 | Total |
|----------------|----------------|----------------|----------------|--------------|
| Radical Reform | £3m | £10m | £9m | £22m |

Overarching purpose of the Radical Reform Fund

We have committed through our Programme for Government to explore radical reform of current services for looked after children and care leavers in order to deliver a new vision and ambition for children’s services, based on consistent practice, less risk averse behaviours and national restorative approaches adopted across Wales.

Critically, it will require greater intervention and support for local authorities to deliver on our ambition to substantially reduce the number of children in care through delivering preventative interventions for families with children on the edge of care and reunification of children with their families where appropriate. This has been the focus of a programme of Ministerial visits to all local authorities in Wales.

Project Level Funding

In summer 2022, local authorities were asked to submit bids for this funding to support them to deliver the commitment to make changes to support children who are looked after and their families as part of plans for radical reform. Whilst there are too many

bids to detail each individually, they were clearly focused on moving children out of residential care back into a family setting, on providing locally based and designed services, including specialist provision for children with more complex needs, and above all improving outcomes for children.

National Practice Framework

As part of our work to transform children's services in Wales we are developing a National Practice Framework. The Framework will set out how we work in Wales in a strengths-based way to ensure the best outcomes for our most vulnerable children and young people.

The National Practice Framework will be a mix of mandatory requirements and practice pointers, rooted in strengths-based relational practice. Key aspects of practice must be consistent across Wales if every child and family is to receive a similar service at a common threshold. This will help us to achieve greater commonality and more seamless working at local, regional and national level building on the good work to date.

The National Practice Framework will add value to local practice and be an enabler for consistency whilst allowing for crucial local variation in its context. A small element of the funding is also being used to support the development of the Framework.

Other Projects

We are also providing funding from the radical reform budget to Foster Wales to undertake scoping work on costs associated with the harmonisation of fees and allowances for foster carers and will be establishing an expert group to look at how we better support Special Guardians in Wales as part of the radical reform agenda. The work of the expert group may also be supported from the radical reform fund.

3. Elimination-of-profit

Amount of funding

The table below sets out much funding has been allocated for the 'Eliminating Profit' Programme for Government commitment.

| | 2022/23 | 2023/24 | 2024/25 | Total |
|--------------------|----------------|----------------|----------------|--------------|
| Eliminating Profit | £10m | £16m | £20m | £46m |

Purpose of funding

The funding will enable the Programme for Government commitment to eliminate profit from children's services to be achieved. It will help to ensure the duties on local authorities concerning children who are looked after, are not contracted out to for-profit companies but remain with local authorities or providers who have converted to not-for-profit models, such as third sector providers or those established via the social enterprises, co-operatives and user-led provisions contained in the 2014 Act.

A key principle is public money invested in accommodation for care experienced children is not taken out as profit, but instead reinvested into the service to deliver better outcomes for children, service improvement and workforce development.

Funding over the next four years will focus on working with care experienced children and young people, local authorities and partners to increase public and not for profit provision so there is a strong foundation to make a safe transition to not-for-profit care.

Project Level Funding

As per the radical reform funding, local authorities have submitted bids for funding to support them to deliver the commitment to eliminate profit. These bids are focused on building in-house or not-for-profit residential and foster care provision to improve outcomes for children and young people. Examples of the types of proposals supported are:

- Better support for foster carers, including the development of specialist support services.
- Enhancing the range of foster care options for children
- Increased recruitment and assessment of local authority foster carers
- Step Down foster placements
- Building in-house residential care provision and resilience, including upskilling of local authority staff and practitioners
- Developing in-house short breaks respite services

We will work with and support local authorities to deliver the ambitions they have set out in their radical reform and eliminating profit funding proposals as an integral part of a planned series of meetings, ensuring planned outcomes are best met, and focusing on how any savings will be reinvested. A robust grant monitoring process is in place to ensure that outcomes are being met over the course of the grant funding. We will also ensure, through communities of practice and workshops, that learning is shared and embedded.