

Lynne Neagle MS
Cabinet Secretary for Education

Vikki Howells MS
Minister for Further and Higher Education

23 July 2025

Welsh Government Draft Budget 2026-27

Dear Lynne and Vikki,

As in previous years, we would like written information to support our scrutiny of the Welsh Government's Draft Budget 2026-27. The annex to this letter sets out in detail the information that we would like to receive.

I would be grateful to receive the written information no later than two weeks prior to your appearance before Committee, the date of which will be arranged in due course.

Given the shared interest across committees in some of the areas listed in the annex to this letter, I have copied in the chairs of the Economy, Trade and Rural Affairs Committee and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,



Buffy Williams MS
Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

Annex A: Request to the Cabinet Secretary for Education, and Minister for Further and Higher Education regarding the CYPE Committee's Draft Budget scrutiny 2026-27

Cross-cutting areas

Transparency of budget presentation

As in previous years, we request a clear, transparent explanation of changes to the overall Education and MEG in 2026-27, from 2025-26, including both a comparison with the actual budget in addition to any revised baseline which is used. We would also appreciate a summary of the key changes between 2025-26 and 2026-27.

If a revised baseline is used, we request a breakdown of amounts which have been removed from or added to the 2025-26 budget and an explanation in each case of why it is deemed appropriate to use the revised baseline rather than the actual budget set in 2025-26 for comparisons.

For significant changes to budget lines, we request an explanation of whether money is being taken from/returned to central reserves or allocated from/to other budget lines either within or outside the MEG.

Detail of Budget Expenditure Line (BEL) allocations and explanation of changes

We request a breakdown of the 2026-27 Education MEG by Action, and Budget Expenditure Line (BEL), with Final Budget 2025-26 allocations, First Supplementary Budget 2025-26 allocations, forecast 2025-26 outturns, and 2024-25 final outturns all included. If indicative budgets are being set beyond 2026-27, we request details of those as well. In the past, we have requested commentary on each of the Actions within the Education MEG. Prior to last year, this was provided in an annex. We note that last year a separate commentary was not provided and the information was provided in the main body of the paper, along with a budget table at Annex A and a list of changes at Annex B. We found that approach to be satisfactory and would be content with the same this year. However, if there are any Actions that are not covered by the issues requested, we would appreciate an explanation of what those Actions fund.

To confirm, we would still like an analysis and explanation of significant changes to Actions and BELs since the First Supplementary Budget 2025-26 (June 2025).

If the Welsh Government uses a revised baseline budget for comparative purposes, we request that the actual 2025-26 First Supplementary Budget allocations are also presented alongside 2026-27

draft budget allocations as well as an explanation of the reasons for the re-calculation of the baseline (as mentioned earlier).

Education priorities and other strategic priorities

Information on how the Education MEG aligns with, and is prioritised according to, the Welsh Government's relevant priorities and key objectives, including:

- An updated assessment from the Cabinet Secretary on the extent to which she believes the Education MEG contains the resources necessary to deliver Welsh Government priorities and key objectives.
- Information on any ongoing negotiations with the Cabinet Secretary for Finance and Welsh Language to maximise the level of resources available for education, including funding for schools' core budgets through the Local Government Settlement.
- Details of how allocations to and within the Education MEG align with the Programme for Government.
- In light of the Cabinet Secretary for Finance and Welsh Language's announcement on 1 July that the 2026-27 budget will simply increase departmental budgets by inflation, rather than reflecting new policies and priorities, how the Cabinet Secretary for Education has been able to take account of emerging and escalating issues since the 2025-26 budget was set.
- Whether, and if so how, the Cabinet Secretary intends to target resources at addressing any cross-cutting themes or priorities across the MEG as a whole.

Children's rights and other cross-cutting considerations

In line with assessing whether 'due regard' has been given to article 4 of the United Nations Convention on the Rights of the Child (UNCRC) and the Welsh Government's duties under the Rights of the Child and Young Persons (Wales) Measure, we request:

- The overall Children's Rights Impact Assessment (CRIA) for this draft Education MEG for 2026-27, which sets out how children's rights are put into effect in these budget allocations, with reference to specific articles in the UNCRC as relevant.
- If a specific CRIA has not been undertaken, the reasons for this.
- A copy of any alternative integrated impact assessment as well as assurances that this assessment demonstrates that the duty of "due regard" to the UNCRC has been exercised.

- Details and/or examples of any changes made to initial allocations within the Education MEG following considerations of children's rights, equalities, sustainability, the Welsh language, or the Wellbeing of Future Generations (Wales) Act 2015 as a result of impact assessments, or where these assessments have had a direct influence on the setting of budgets.

Costs of legislation

- Details of allocations within the 2026-27 budget intended for the implementation of primary legislation passed in the past two Senedd terms, including the Welsh Language and Education (Wales) Act 2025, the Tertiary Education and Research (Wales) Act 2022, the Curriculum and Assessment (Wales) Act 2021, and the Additional Learning Needs and Education Tribunal (Wales) Act 2018.
- Information on the financial impact of any relevant UK Parliament legislation, for example the Children's Wellbeing and Schools Bill.
- Financial implications in 2026-27 of any relevant subordinate legislation.

Impact of the COVID-19 pandemic

- Information on any remaining provision in the Education MEG in 2025-26 and 2026-27 for dealing with and recovering from the impact of the pandemic, for example the status of the former "Recruit, Recover, Raise Standards (RRRS)" funding that was amalgamated into the Local Authority Education Grant from 2024-25..

Impact of cost of living pressures on delivery of education services

- An update on the implications of cost of living pressures and energy prices on the operational delivery of education institutions – across early years, schools, colleges, universities and training providers.

Budget monitoring and the current financial context

- Information on the processes in place for monitoring budgets within the Education MEG throughout the year, identifying potential deficits and surpluses, and taking remedial action or allocating additional funds to cover any shortfalls.
- Details of any changes to the 2025-26 Education MEG that are already anticipated in the Second Supplementary Budget.

Specific areas

Funding for school budgets

- An explanation of whether and how the Welsh Government has prioritised funding for schools in the 2026-27 Draft Budget (in both the Housing and Local Government MEG and the Education MEG).
- How the review of the school funding formula (published February 2025) and proposed School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026 have been taken into account in the Welsh Government's approach to providing funding intended for schools in 2026-27.
- The Cabinet Secretary's perspective on the level of school budget reserves, in the context of the 31 March 2025 data due to be published in late October 2025.

Funding for school improvement and raising standards

- An explanation of how the Draft Budget 2026-27 supports school improvement and raising standards of education, and how it reflects changes taking place under the School Improvement Partnership Programme.
- Details of the Local Authority Education Grant (LAEG) in 2026-27, including a breakdown of its four strands.
- Details of how much LAEG was paid to each local authority in 2025-26, including a breakdown by the four strands.
- An updated assessment undertaken on the impact of the amalgamation of individual grants into the LAEG in 2024-25 and how the Welsh Government is assuring itself that there has not been any dilution of previously ring-fenced activities and interventions.
- Information on budget allocations to support efforts to improve standards of literacy and numeracy and any assessment that has been made of their efficacy and value for money.
- Funding for the Curriculum for Wales grant support programme and details of numbers and values of grants awarded.
- Any other funding to support the implementation of the Curriculum for Wales.

The cost of living and reducing the impact of deprivation on educational outcomes

- Information on how resources within the Education MEG are being used to meet the Welsh Government's long-term commitment to reduce the impact of deprivation on

educational outcomes – including from the “Tackling barriers to attainment” BEL or from the LAEG.

- Information on budget provision for the School Essentials Grant and expenditure in 2025-26, including the number of pupils supported, and projected in 2026-27.
- Information on how resources within the Education MEG are being used to support learners in post-16 education with the impact of cost of living pressures, and to address the impact of deprivation on outcomes (including, for example, through additional hardship funding for providers, or through existing student support funding such as the Education Maintenance Allowance).
- Any remaining budget provision for the roll out of universal free school meals in primary schools in 2025-26 and whether any budget is needed for this in 2026-27. Whether any further consideration has been given to extending eligibility in secondary schools, especially given the decision in England to extend free school meals to all pupils in households receiving universal credit. If not, how the Welsh Government plans to use any Barnett consequential arising from the decision in England.
- A breakdown of any grant funding provided to local authorities in 2025-26 for the universal provision of free school meals in primary schools.
- Any other funding within the Education MEG for initiatives to tackle the cost of living and the deprivation/attainment negative correlation, for example school holiday enrichment/summer of fun/food and fun projects, including an updated explanation of how these projects and funding streams relate to each other

Education workforce

- Details of budget allocations to finance Initial Teacher Education (ITE), including funding and initiatives targeted at addressing shortages in particular subjects or areas, and any assessment that has been made of their efficacy and value for money.
- Details of budget allocations to support professional learning for current teachers, including in light of the ongoing implementation of education reforms.
- Information on funding provided by the Welsh Government to the Education Workforce Council.
- Information on funding to establish and fund the new national professional learning and leadership body. How this compares to the funding for the National Academy for Educational Leadership and whether funding for the new body directly replaces this.

- Details of any budget provision for meeting the costs of the teachers' pay award for academic year 2025/26 including a breakdown between the 2025-26 and 2026-27 financial years and the respective mechanisms used (whether direct grant or incorporated into the local government settlement).
- Information on any funding to support policy regarding the supply teaching workforce.

Emotional and mental health of children and young people

- Budget provision from the Education MEG in 2026-27 for the whole-school/system approach to emotional and mental health.
- Details of funding from the Health and Social Care MEG to complement work in schools on this area.
- Information on any budget provision to support the emotional and mental health of young people in post-16 education.
- Budget provision for the action plan and wider response to tackle peer on peer sexual harassment among learners.

Behaviour and violence

- Budget provision from the Education MEG for addressing problems arising from behaviour and violence in schools and colleges (including for example actions arising from the round table on violence and safety and the national behaviour summit – both held in May).

Pupil absence

- Information on any specific budget provision to address rates of pupil absence or an identification of which budget lines support such work more generally (including for example Family Engagement Officers and Community Focused Schools).

Sport and physical activity

- Information on how the Education MEG supports the provision of sport and physical activity for children and young people, whether inside or outside school, and how this relates to any initiatives or funding in the Health and Social Care MEG such as for Healthy Weight, Healthy Wales.
- How capital funding through the Sustainable Communities for Learning programme is supporting sport and physical activity among children and young people.

- Details of funding to support the education of Minority Ethnic and Gypsy, Roma and Traveller learners in 2026-27 and how this is being distributed as part of the LAEG.

Additional Learning Needs (ALN)

- An updated summary of the position of funding for supporting learners with their ALN, both from the ALN BEL and the Reform strand of the LAEG.
- The implications of the review that has been carried out and what this has shown about the required levels of ALN funding.
- An updated assessment of whether the ALN reforms are proving to be cost-neutral.
- Information on how funding for ALN provision featured in the review of the school funding formula and how it is being considered as part of the proposed School Funding, Budget Statements and Outturn Statements (Wales) Regulations 2026.
- The latest position on funding for the training of educational psychologists in Wales and any grant funding arrangement with higher education institutions, for example Cardiff University.

Estyn

- Details of Estyn's core budget allocation for 2026-27 and which MEG/BEL this is located in.
- The outcome of work undertaken with Estyn to manage the impact of not being able to provide any additional funding this time last year (other than inflationary uplifts) to support the new inspection cycle (mentioned in last year's paper).

Qualifications

- Details of funding allocated to Qualifications Wales in 2026-27 and an updated assessment of whether it has enough funding to fulfil its remit and any reform work expected of it.

Welsh in education

- Details of allocations in the Education MEG to support the Welsh Government's policies for Welsh in education, and the education sector's role in meeting the Cymraeg 2050 target of one million Welsh speakers.

- How allocations in the Education MEG relate to other budgets supporting the Welsh language, for example the Welsh Language Action in the Central Services and Administration MEG.
- Where funding for implementing the Welsh Language and Education (Wales) Act 2025 is located in the Welsh Government's budget and how much is allocated..
- Information on funding allocated for enhancing the Welsh in education workforce.

Seren programme

- Details of budget provision to support the Seren programme and the Widening Participation Project.

Early years education and childcare

- Whether the funding in the LAEG to support alignment of funding rates in nursery education in non-maintained settings, and childcare within the Childcare Offer, is continuing in 2026-27. Narrative on any impact on aims to 'align' rates on the decision from April 2025 to increase the hourly rate for childcare providers from delivering the Childcare Offer from £5.00 to £6.40 an hour from the Health and Social Care MEG (and Welsh Government's commitment to review this rate annually from now on.)
- Details of any other funding from the Education MEG to support the non-maintained sector's delivery of early childhood / nursery education and the Curriculum for Wales, and how this relates to funding for the responsibilities of the Minister for Children and Social Care in relation to early years and childcare.

Youth work

- Details of how the 2026-27 Education MEG supports statutory and voluntary youth services and budget provision for meeting the Programme for Government commitments in respect of strengthening youth services.
- How this Draft Budget 2026-27 reflects the findings and work of the Youth work funding review.
- Details of how the 2026-27 Education MEG supports the Youth Work Strategy for Wales, the work of the Implementation Board and work to establish a national body for youth work in Wales as set out in the Written Statement: A national body and statutory framework for youth work (27 June 2025).

Offender learning

- Information on budget provision in 2026-27 and any changes to how this will be spent compared to previous years.

Funding for Medr

- Total funding for Medr in 2026-27 and the Welsh Government's expectations on how Medr will allocate this (more detailed points listed below)

Further education, sixth forms and adult community learning

- How much of Medr's total allocation in 2026-27 is intended for sixth forms and further education colleges, and any specific uses of this funding.
- Details of 2025-26 funding allocated to Medr for individual sixth forms (or local authorities) and colleges, and what this funding is to support.
- Details of any hypothecated funding to further education institutions or sixth forms beyond their usual core grants.
- The allocation for Adult Community Learning.
- The complete 2024-25 and 2025-26 programme values used in the calculation of FE and sixth form funding.
- Details on how financial support increases have impacted the draft budget (specifically the increase of the Welsh Government Learning Grant (FE) and the increased thresholds for eligibility for EMA)

Higher education, and post-16 student financial support

- How much of Medr's total allocation in 2026-27 is intended for higher education, and any specific uses of this funding.
- Details on how the draft budget supports and reflects the financial positions of Welsh higher education institutions
- Details on how increases to student support for eligible part-time and full-time undergraduate students in Wales, as well as support for postgraduate masters and postgraduate doctoral study, have influenced the draft budget.
- Details on whether decisions to raise the tuition fee limit for undergraduate studies has influenced allocations to Medr

- Details of the Medr allocation, including details of any hypothecated funding, or funding which is intended for specific activities including mental health and student well-being.
- Details of any 2026-27 allocation intended for the delivery of degree apprenticeships and if it is intended to be used to recruit new apprentices or to teach out existing apprentices.
- Details of any capital funding to be made available to Medr, including any conditions to be placed on it by the Welsh Government.
- Details of any contingencies / reserves / non-allocated funds within any of the 2026-27 tertiary education related BELs, including the BELs within the post-16 Learner Support Action; details of how the funds are / can be deployed; and details of any deployment of them during 2025-26.

Other post-16 education provision

- Information on the Welsh Government's expectations on how Medr will use its total allocation to fund other post-16 education provision.
- Details of funding for the International Learning Exchange Programme (Taith) including its extension to March 2028.
- Details of budget provision for the Coleg Cymraeg Cenedlaethol, either from the Education MEG or the Welsh Language BEL of the Central Services and Administration MEG.

Young Person's Guarantee

- Details of budget provision from the Education MEG which contributes to the Young Person's Guarantee and how this relates to funding from the Economy, Energy and Planning MEG.

Capital funding for school and college infrastructure

- Information on budget provision for the Sustainable Communities for Learning programme and progress of the programme to date, including expenditure and numbers of projects completed/approved to date under Band B.
- A projection of when Band B is likely to be completed by and an update on the next phase of the programme consisting of local authorities' 9-year investment plans.
- An updated assessment of the implications of the cost of living, for example energy prices and construction costs, for the Sustainable Communities for Learning programme, including any impact on the progress and costs of projects.

- The financial implications from the Welsh Government's carbon net zero policies and how this affects the Education MEG in 2026-27.
- Provision within the Education MEG – and clarification of whether capital or revenue – for school and college repairs and maintenance, in both 2025-26 and 2026-27, and confirmation of whether this is part of the Sustainable Communities for Learning programme.

Capital funding for childcare

- Confirmation of the status of the Childcare and Early Years Capital Programme, which was originally due to end Spring 2025 but received further funding in 2025-26, and whether there are any allocations to extend this into 2026-27.
- Information on capital funding from the Education MEG for the Childcare Offer and Flying Start programme and any allocations for the purposes of the commitment to roll out Flying Start childcare to all 2 year olds.

Capital funding for the Community Focused Schools initiative

- Information on arrangements for funding aimed at increasing the community focused nature of education estates and adapting premises for community use.