

Draft Budget 2025 to 2026: evidence to the Senedd Children, Young People and Education Committee

**Written evidence by the Cabinet Secretary for Health and Social Care:
December 2024**

Written evidence by the Cabinet Secretary for Education



Children, Young People & Education Committee's request for evidence

Evidence to inform the scrutiny of the Draft Budget 2025-26

December 2024

This document is a response to the Children, Young People & Education Committee's request for information to inform scrutiny of the Draft Budget 2025-26.

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1. Allocations for Children & Young People

Allocations in the Health MEG by Action, and Budget Expenditure Line (as directly relevant to children and young people):

- Draft Budget 2025-26;
- Final Budget 2024-25 Allocations;
- 2024-25 First Supplementary Budget;
- 2026-27 indicative budget (if set);
- A description of any changes to baselines used in the Draft Budget 2025/26 from the First Supplementary budget June 2024.

Response:

The Draft Budget for 2025-26 has been framed around key priorities in areas identified by Cabinet as being critical for delivery. For the Health & Social Care (HSC) MEG our priority is 'Iechyd da' - *A Healthier Wales*.

There is £435m of additional Resource funding and £175m of additional Capital funding for the HSC MEG to assist in the ongoing work to reduce long NHS waiting times, improve access and improve services for women's health. This is building on the additional funding already agreed for 2024-25.

The Housing and Local Government MEG is receiving an increase to boost access to social care via the Revenue Support Grant to Local Authorities (RSG).

Children and young people are captured within our priority area, 'Iechyd da' / *A Healthier Wales*.

We are supporting a number of areas for waiting times improvements that impact children and young people, including for mental health, and also for those families waiting for an assessment in relation to neurodivergence.

We are also continuing our support for families to access the Childcare, Flying Start and Families First programmes.

Budget Expenditure Line	2024-25 Final Budget	2024-25 First Supplementary Budget	Changes for 2025-26 Draft Budget	2025-26 Draft Budget
	£m	£m	£m	£m
<i>A Healthier Wales</i> – (Early Years) – BEL 0060	6.850	6.850	0.000	6.850
Support for Childcare and Play – BEL 310	82.378	82.378	20.000	102.378
Support for Children's Rights – BEL 311	1.445	1.445	0.000	1.445
Supporting Children – BEL 410	3.865	3.865	0.000	3.865
Supporting Families and Children – BEL 1085	5.535	5.535	0.000	5.535
Children and Communities Grant – BEL 1087	179.583	179.583	0.000	179.583
Cafcass Cymru – BEL 1268	15.873	15.873	0.804	16.677
TOTAL	295.529	295.529	20.804	316.333

Support for Childcare and Play: BEL 310 - £20m Increase

In line with our commitment to the childcare sector, Officials have undertaken a review of the hourly rate for the Childcare Offer for Wales. This included field research and analysis of evidence to inform what a revised rate could look like. The current rate is £5 and from April 2025 this will increase to £6. The £20m is to deliver this increase in the hourly rate for the Childcare Offer, which includes the nursery Education component and a corresponding uplift to two-year-old childcare as part of the Flying Start Programme. In the table above this amount is shown in BEL 0310, the elements of this funding relating to nursery education and Flying Start will be allocated to the relevant BEL lines in due course. Alongside a proposed uplift, the scope of the review considers the regularity of future rate reviews and proposes an uplift to permissible food charges of 20 per cent.

Cafcass Cymru – BEL 1268 - £0.804m Increase

A budget increase of £0.804m which relates to the baseline adjustment for the 2024-25 pay award and associated pension impacts from SCAPE for Cafcass staff.

2026-27 Indicative Budget

The one-year budget settlement is for 2025-26 only, so no budgets have been set for 2026-27.

2. New Ministerial Portfolio: Children and Social Care

Narrative explanation of the role of the new portfolio holder of Minister for Children and Social Care in respect of budget allocations for children across government.

Response:

The new portfolio includes lead responsibility for children's rights. The Welsh Government's work on children's rights is based on our commitment to the principles of the United Nations Convention on the Rights of the Child (UNCRC). Under the Rights of Children and Young Persons (Wales) Measure 2011, Welsh Ministers are subject to the following four duties:

- to have due regard to the UNCRC when exercising Ministerial functions;
- to produce a Children's Rights Scheme setting out arrangements for complying with the due regard duty;
- to publish a "compliance report" on how Ministers have complied with the due regard duty, every two and a half years;
- to take appropriate steps to promote public understanding of the UNCRC.

The Children's Rights BEL supports all Welsh Ministers to fulfil these duties, including grant funding *Children in Wales* to operate *Young Wales*. *Young Wales* provides a representative participation model for children and young people to have their voices heard in the policy/legislation and decision-making process.

Early Years Childcare and Play

The new portfolio includes responsibility for: early years and childcare policy and legislation; Welsh Government funded childcare programmes; family and parenting support; lead for Adverse Childhood Experiences and Trauma-Informed approaches; and play policies for all children, extending beyond their early years. We are committed to:

- Support the development of a more joined up and responsive early years system in Wales.
- Support accessible, inclusive, high-quality play, learning and care experiences in Welsh, English or bilingually.
- Support a valued, thriving and diverse childcare and play work sector.
- Break cycles of disadvantage by focusing our resources on our most disadvantaged communities through our flagship, targeted Flying Start Programme.
- Increase awareness that Speech Language & Communication (SLC) is 'everybody's business' and ensure interventions are delivered universally at the point of need.
- Support families with meeting the cost of childcare through government funded childcare (the Childcare Offer for Wales and Flying Start Childcare).
- Supporting parents and families through parenting policy and our national campaign *Parenting–Give it time* and Families First and Family Information Services.
- Mitigate Adverse Childhood Experiences (ACEs) and their impact and champion a **Trauma-Informed Wales**.
- Protect and champion playfulness that all children in Wales have sufficient opportunities to **play** in their local area.

3. Impact Assessments

- **Combined CRIA across all portfolios:** The overall Child's Rights Impact Assessment (CRIA) undertaken to inform allocations in the draft Budget 2025-26.
- **CRIA for Health and Social Services MEG:** The CRIA for the Health and Social Services MEG for 2025-26.
- **Other impacts:** Details and/or examples of any changes made to allocations within the Health and Social Services MEG following considerations of equalities, sustainability, the Welsh language, and the Wellbeing of Future Generations.

Response:

3.1 Combined CRIA across all portfolios

Detailed impact assessments, including a Children's Rights Impact Assessment (CRIA) are undertaken as part of our ongoing policy development and review. A Strategic Integrated Impact Assessment (SIIA) is one of a suite of documents published as part of the draft Budget and is critical to identifying key trends, strategic and cumulative impacts at portfolio level, across a range of areas, including giving due consideration across the statutory requirements.

We continue to maintain that the integrated approach underpinning the SIIA enables us to better understand the intersectional and unintended impacts of spending decisions and to maximise the impact of available funding, reducing the disproportionate effect on any one specific group or area. To consider 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.

3.2 CRIA for Health and Social Services MEG

While we expect the financial outlook for the NHS, next year, to continue to be very challenging. We are investing a further £435m resource funding in Health

and Social Care in 2025-26. This brings the total annual resource funding for Health and Social Care to £11.915bn.

Over £400m of this new funding will support a range of additional allocations to the NHS, including activity to cut NHS waiting times, women's health, workforce training, digital investments and staff pay - building on the additional funding provided in 2024-25.

We are providing an additional capital funding to Health & Social Care, bringing our total capital investment in this draft Budget to £614m. This investment will maintain and improve the NHS estate infrastructure, further invest in the latest digital technologies, as well as the availability of fit for purpose, modern, reliable equipment to support the prevention of productivity loss within the NHS and help reduce waiting times through addressing infrastructure fragility and sustainability. This funding aims to help offset the most severe impacts across all parts of Wales and provide protection for everyone, including children, disabled, older and vulnerable people.

The majority of the funding within the HSC MEG goes to the NHS and is a discretionary allocation. Health Boards formulate their plans to meet the needs of their population and in doing so will complete impact assessments, which will include consideration of impacts on children and young people. In policy areas outside of the main NHS funding, for example in Children and Early Years, CRIAs are completed when developing new policy or legislation. These help to ensure that the best interests of children are taken into consideration during the policy and legislation development process and what the impact of those choices will be.

3.3 Other impacts

The vision under *A Healthier Wales* is to place a greater focus on prevention and early intervention which we continue to support through universal, as well as more targeted support. Within the HSC MEG, funding is allocated to support our Programme for Government commitments on Early Years and Childcare.

Our support for the early years, childcare and play contributes to all of the well-being goals, and specifically to those relating to a prosperous and healthier Wales. Investment in quality childcare and play can help young children develop into healthy, active adults. It develops their cognitive and social and emotional wellbeing and mitigates the harmful effects of adverse childhood experiences. Childcare can also enable parents to work and train and lifts families out of poverty.

Our Childcare Offer specifically supports the Welsh Government's well-being objectives, in particular to:

- Support people and businesses to drive prosperity

- Promote good health and well-being for everyone
- Support young people to make the most of their potential
- Build ambition and encourage learning for life

We have continued to frame our budget allocations in line with preventative activities, focussing on positive interventions that protect and build on existing foundations, including our commitment to children's rights. It is important to note that following agreement of the draft budget for 2024-25, Health Boards will be given an allocation. Impact assessments will be undertaken by the Health Boards on everything in due course.

To ensure Health and Social care in Wales achieves its vision to provide an equitable whole system approach, through a motivated and sustainable health and social care workforce, delivering more equal health outcomes for the population of Wales.

We will do so by continuing to work with Stakeholders and Partners to deliver the relevant Goals and Action's within our current and future National Equality Diversity and Inclusion plans, including those described within the Anti-racist Wales Action Plan, the LGBTQ+ Action and the proposed Disability Action Plan.

In embedding equality actions at the centre of our PfG commitments we have ensured that our strategies and policies, consider the diverse needs of the people of Wales. Integrated Impact Assessments being carried out by individual policy areas will continue to ensure an ongoing and strengthened focus on equalities and Welsh language.

4. Programme for Government

Allocations in the Draft Budget 2025-26 and the latest position on funding in the context of the latest Welsh Government Annual Report for:

4.1 Advocacy Services

PfG commitment} Advocacy services for parents whose children are at risk of coming into care–

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

Funding of £506,000 has been allocated from the Looked After Children Change Fund in 2025-26 to support the continued roll out of independent, professional advocacy support for parents whose children are on the edge of care, with the aim of reducing the numbers of children entering the care system in Wales. The total funding allocated to this commitment across the four years 2022-23 and 2025-26 is £1,606,400.

We remain committed to parental advocacy and continuing the good progress that has been made by advocacy providers to date in developing an outcomes framework, establishing referral pathways and provision across all areas of Wales. Parents have been supported with a range of issues including mental health, support with care proceedings, child protection conferences, housing and physical health. This has enabled an increased understanding of processes, awareness of parental rights, parents feeling they are well-equipped to self-advocate in future meetings, feelings of parents being listened to and taken seriously and a greater understanding of how decisions are made and who is making them. We will also be establishing a National Forum for Parental Advocacy in order to bring together providers and stakeholders to discuss consistency of practice and share learning.

4.2 Regional Residential Services

PfG commitment} Fund regional residential services for children with complex needs–

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

Care experienced children have often gone through adverse childhood experiences, and many have unresolved trauma that resurfaces in escalating behaviours and difficulties in personal attachments. As a result, a care experienced child may have several placement breakdowns in succession due to their unmet needs. If these needs are not addressed, it can culminate in a secure home or a specialist placement that is far from the people they know and often out of Wales. Early intervention is crucial to break this cycle with a therapeutic, trauma informed approach that ensures better outcomes for the child.

Welsh Government continues to invest heavily in the development of therapeutic residential accommodation and specialist services for children and young people with complex needs through the Regional Partnership Boards (RPBs). RPBs are accessing relevant capital funding streams such as the Housing with Care Fund (HCF) or Integration and Rebalancing Capital Fund (IRCF), and revenue funding from the Regional Integration Fund or the Eliminate Profit from Care Fund.

RPBs are developing accommodation-based models of care to meet the needs of this population. This type of accommodation can be generally described as:

- Specialist step-up or step-down provision, providing therapeutic support and trauma informed, often bespoke to the child needs.
- Purpose is to aid behavioural regulation and to prevent escalation to and facilitate de-escalation from secure home or tier four mental health inpatient provision.
- It aims to fill gaps in local provision to avoid children being placed out of county or out of Wales or to bring them back closer to home.

In 2024-25 so far, five new residential services for children with complex needs have opened providing 18 new beds, and development is underway of a further 25 homes for children with complex needs which are expected to complete by March 2025 providing an additional 88 beds.

We have an indicative HCF budget of £60.5m in 2025-26. Children with complex needs are one of several priority groups that are served by the HCF. We will continue to support this user group through the HCF in 2025-26 however it should be noted that RPBs are ultimately responsible for determining priorities within their regions.

From discussions with our regional partners there are HCF projects in the pipeline for children with complex needs in 2025-26 and beyond, and we will assess these applications once they are finalised and submitted. We will also continue to liaise with the IRCF team to ensure that both funding streams are maximised to deliver for this priority group.

The IRCF has an annual budget of £70m per year until 2026-27. The fund has three funding priorities, one of which is to support projects that will eliminate profit from the care of children looked after and support the growth of not-for-profit children's residential care provision. As part of their Strategic Capital Plans RPBs are asked to identify projects that support the eliminate agenda, which will inform the funding requirement for 2025-27. This can then be considered alongside the other priorities that the fund supports.

Local Authorities Children's Services tell us care-experienced children appear to have complex presentations more frequently than ever before. Due to insufficiency issues, these children will often be cared for out of area or out of Wales in expensive private provision. Therefore, RPBs are prioritising the development of accommodation for children with complex needs, which in practice also supports the eliminate profit agenda and will ensure children are cared for closer to home.

4.3 Eliminating Private Profit

PfG commitment} Eliminating private profit from the care of children looked after–

A breakdown of the £68m commitment over 2022-23, 2023-24 and 2024-25)

- Allocations and spend by year
- Outputs / new placements by local authority at the end of the three-year period

Response:

Annual Breakdown of £68m commitment			
	2022-23	2023-24	2024-25
Eliminating Profit	£10m	£16m	£20m
Radical Reform	£3m	£10m	£9m
Total	£13m	£26m	£29m

As per the evidence paper submitted for last year's exercise in 2022-23 local authorities were asked to submit three-year bids for funding (2022-23 and 2024-25) to support them to deliver the commitment to eliminate profit and help them reduce the number of children in care and support children who are looked after and their families. Funding was split across two grants for this - the eliminating profit grant and the radical reform grant.

Bids were assessed by officials and used to determine the allocation of the £68m over the three years to local authorities in Wales. The bids were clearly focused on building in-house or non-for-profit residential and foster care provision, on moving children out of residential care back into a family setting, on providing locally based designed services, including specialist provision for children with more complex needs and above all improving outcomes for children. Some examples of these types of proposals received were:

- 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.
- Converting Placements with Parents to Special Guardianship Orders.
- Development/Expansion of Crisis Support Teams.
- Discharge of Care Orders.

In both 2022-23 and 2023-24 the allocated funding was fully spent on these activities to support the Welsh Government's commitment to eliminate profit. Officials have recently completed monitoring meetings with each of the 22 local authorities to check in on current progress and it is forecast that funding will once again be fully utilised in 2024-25.

Regarding outputs funding has been used for a variety of individual purposes given individual local authorities plans in respect of eliminate. However most

have utilised funding towards supporting their foster care and residential care provision within their areas. In particular, the funding has supported staffing costs associated with developing new in-house local authority residential provision, and in supporting the development of their fostering services with initiatives such as expanding foster care counselling and wellbeing support and expanding engagement to target prospective foster carers.

This funding will be maintained for 2025-26.

4.4 Support for Complex Needs

PfG commitment} Specialist support for children with complex needs who may be on the edge of care–

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

In response to feedback from care experienced young people about the need for improved mental health and wellbeing support officials are currently working on a draft service specification for delivering therapeutic support for care experienced children. Engagement work has been carried out with the sector, families and different policy areas to inform the specification and further engagement work will be undertaken with child and young people. The service specification will aim to ensure equity and quality of provision for therapeutic support for care experienced children throughout Wales. This work will be progressed in early 2025.

Using the Regional Integration Fund, Regional Partnership Boards work to the 'Supporting families to stay together safely, and therapeutic support for care experienced children' model of care. To support this work, we have established a Community of Practice that is focussing jointly on the further development of NYTH/NEST implementation, together with the supporting families to stay together safely model of care. The Community of Practice facilitates the sharing of best practice and encourages joint learning across the Welsh regions.

The total projected 2024-25 allocation by year end is £ 21.3m which we anticipate will be similar for 2025-26. The allocation is divided as follows:

Cardiff & The Vale - £2.7m

- Right support, right time, right person

- CYP with complex needs – community

Cwm Taf Morgannwg - £100k

- Systemic Change Model
- Supporting Change & Systematic Practice

Gwent - £3.1m

- Children's Emotional Health & Development
- Children's Early Intervention & Resilience

North Wales - £10.4m

- Early intervention
- Repatriation & prevention services
- Building Family resilience to prevent escalation
- Intensive residential support for children with complex needs
- Specialist support for children with complex / specialist needs
- Intensive support teams for children with complex needs

Powys - £754k

- Edge of care
- Powys Together

West Glamorgan - £2.7m

- Children and Young People programmes

West Wales - £1.4m

- Grown your own
- Edge of Care
- Complex Needs.
- Early Years
- Children Young People emotional health and wellbeing

4.5 Childcare Fund

PfG commitment} Fund childcare for more families where parents are in education and training or on the edge of work–

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

In April 2022, the Childcare offer for Wales eligibility was expanded to include parents in education and training. The expansion of the Offer allows parents to access the programme if they are

- Enrolled on a Higher Education (HE) undergraduate or postgraduate course that is at least 10 weeks in length. This includes courses delivered by distance learning.
- Enrolled on a course that is at least 10 weeks in length and which is delivered at a Further Education (FE) institution.

There are no current plans to expand eligibility further the focus for 2025-26 will be on raising awareness of eligibility and simplifying systems.

4.6 Expansion for Early Years Provision

PfG commitment} Phased expansion of early years provision to include all 3 year olds[with a particular emphasis on strengthening Welsh medium provision–

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Flying Start Childcare: An estimate of the current of 2 years old offered the 15 hours by local authority.

A Flying Start Childcare: timeline for roll out of to 2026 across each local authority, from the current baseline.

Response:

Flying Start childcare offers 12.5 hours of high-quality childcare provision for two-year-olds.

The table below sets out the number of children reached by each phase of Flying Start expansion.

Flying Start and Expansion Programme Phase	Childcare places offered	Cumulative Childcare Numbers
Core FS programme (This now includes phase 1 expansion)	9137 (Note 1)	9,137
Phase 2 Expansion	5,522 (Note 2)	14,659

Notes: Please note that these figures are estimates – analysts have used the most up to date mid-year population estimates available (for 2023) – this is the closest estimate that can be calculated.

- **Note 1** – Source: FS official statistics. See: <https://statswales.gov.wales/v/QTad>
- **Note 2** - Phase 2 is still being rolled out so analysts have used the target figure of funded places available for the Phase 2 expansion (5,522).
- The actual number of Flying Start childcare places offered in each year is likely to be higher. In the first year of rollout (2023-24), the target was 4,919 but the number of childcare places offered was 6,885. See: <https://www.gov.wales/flying-start-april-2023-march-2024.html>

The tables below break down this information by LA.

Isle of Anglesey	176
Gwynedd	297
Conwy	258
Denbighshire	209
Flintshire	286
Wrexham	361
Powys	222
Ceredigion	142

Pembrokeshire	298
Carmarthenshire	509
Swansea	843
Neath Port Talbot	577
Bridgend	377
Vale of Glamorgan	326
Cardiff	1060
Rhondda Cynon Taf	736
Merthyr Tydfil	340
Caerphilly	598
Blaenau Gwent	359
Torfaen	322
Monmouthshire	68
Newport	773
Wales	9,137

Target number of childcare places for Flying Start phase 2 childcare places offered 2024-25

Anglesey	109
Blaenau Gwent	163
Bridgend	241
Caerphilly	379
Cardiff	747
Carmarthenshire	279
Ceredigion	80
Conwy	163
Denbighshire	156

Flintshire	214
Gwynedd	161
Merthyr Tydfil	184
Monmouthshire	85
Neath Port Talbot	282
Newport	413
Pembrokeshire	187
Powys	133
Rhondda Cynon Taf	499
Swansea	443
Torfaen	194
Vale of Glamorgan	185
Wrexham	224
Wales	5,522

Phase 3 of the expansion will involve the further expansion of childcare provision from the position reached at the end of Phase 2 (end March 2025) until provision is available to all two-year-olds.

It is not possible to provide a fixed timeline for Phase 3 of the expansion. Each Local Authority started from a different position and faces different challenges in implementing the expansion programme. We are working closely with local authorities and the childcare sector to ensure that we expand provision sustainably and that the appropriate infrastructure is in place to support effective delivery.

To inform further progress in this area, we commissioned all local authorities to prepare expansion plans for Phase 3 of the rollout - covering the remaining areas of their local authority. Officials are currently reviewing these plans in discussion with LAs. These plans for the next phase will help them to deliver further expansion quickly and effectively when funding becomes available.

4.7 Flying Start

PfG commitment} Flying Start, the four entitlements«

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26 (revenue and capital).

Response:

Flying start is funded through the Children and Communities Grant (CCG) which seeks to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. The programmes within this grant seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, thereby contributing to a more equal Wales. The CCG allocation for 2025-26 is £179.583M which funds eight related programmes delivered by local authorities. In the table at 1.1 above an additional £20m is shown in BEL 0310, this includes an element of funding relating an uplift in funding to nursery education and Flying Start this will be allocated to the relevant BEL lines in due course.

We continue to invest in Flying Start, which includes four core elements: fully funded quality childcare, parenting support, intensive health visitor support, and support for speech, language, and communication (SLC). We exceeded our delivery target in 2023-24, ensuring that over 41,000 children and families received support from the programme.

We have just begun a three-year evaluation of the Flying Start Programme, in which we have included an impact evaluation of Flying Start. We also continue to work with Local Authorities and Health boards to submit individual level Flying Start data into the Secure Anonymised Information Linkage (SAIL) databank and plan to use this data for the impact analysis. Our aim is to show the long-term outcomes of the Flying Start programme in helping those in the most disadvantaged areas of Wales.

Childcare and Early Years Capital programme

The £70m Childcare and Early Years Capital Programme was implemented in October 2022 and will run to Spring 2025 (spanning the three financial years 2022-23, 2023-24 and 2024-25). The purpose of this capital funding is to support the Welsh Government funding criteria for this term and to maintain and improve new and existing childcare (including Flying Start) infrastructure.

The programme has two elements: Small grants and major capital builds. The Small Grant Funding is allocated to local authorities to allow all registered childcare and play providers (including Flying Start settings) to come forward with applications for minor capital projects. The Major Capital funding is open to local authorities to improve, expand and strengthen childcare infrastructure

(including Flying Start settings) having regard to their childcare sufficiency assessment.

The majority of submissions for major capital funding made by local authorities during the current programme is to support Flying Start provisions.

The Childcare and Early Years Capital Programme will have a budget allocation of £25m for FY2025-26. The Programme will continue to support the current Flying Start infrastructure with particular emphasis on Phase 3 expansion.

5. Children's Social Care

- **Children's Social Care workforce:** Any allocations associated with additional support to local authorities to address the instability of the workforce in children's social care, such as vacancy rates and the use of agency staff.
- **Sustainable Social Services Grant Scheme:** The total amount for the Scheme and a breakdown of all grants relevant to children and young people.
- **Care Experienced Children Change Fund:** The total amount for the Fund and a breakdown of all allocations.

Response:

5.1 Children's Social Care Workforce

As a government we continue to work on creating a firm foundation to build our social care workforce. Our significant funding of approximately £28m through Social Care Wales aims to lead and support improvement in social care through recruitment and retention of a quality and professional workforce. Areas of work with allocated funding that relate to children's social care include:

£10m over three years investment in the social worker bursary to make the social work degree financially attainable and an attractive career.

The Social Care Wales Workforce Development Programme (SCWWDP). This allocation of grant is available to support local authorities and offers opportunities to fund excellent programmes such as the 'grow your own scheme' which supports paid employment and funded social work training. Take up for this scheme has increased each year.

In recognition of the important role that local authorities play in delivering core social services, the Welsh Government has provided recurrent funding to the

sector in the form of a Workforce and Sustainable Social Services grant. The criteria for the use of the grant have been broadly set. Local authorities have been able to use the funding to support increases to pay, but also for other interventions aimed at supporting the delivery of sustainable social care services to ensure that they were better placed to meet increased or unexpected demand. The allocation to local authorities for 2025-26 is £45m.

These positive programmes of work come with the realism that it will take time to feel the impact within the workforce, but this is promising for the future of children's social care.

5.2 Sustainable Social Services Grant Scheme

The total value of funding allocated via the Sustainable Social Services Grant Scheme in 2025-26 is £9,301,738 of which £2,912,429 relates to grants relevant to children and young people

The breakdown of these grants is as follows:

Organisation Name	Project Title – and project aim	Indicative award 2025-26
Action for Children	Skills PLUS (Skills+): Skills+ is a service for Care-Experienced Young People (CEYP) aged 14-24. The project will deliver bespoke Pathways that support CEYP's transition to adulthood, through a range of interlinked interventions designed specifically to reduce their vulnerabilities and equip them with the resilience, skills/tools to help them to cope positively with the challenges of independent living.	£599,747
Cyffannol Women's Aid	Ar Trac: Ar Trac will support children and young people who have experienced or witnesses domestic abuse, and who are exhibiting difficulties with their family and peer relationships. By addressing these difficulties and building upon strengths within childhood, Ar Trac aims to minimise the impact of the adverse childhood experiences associated with domestic abuse and improve physical and mental well-being later in life.	£619,762

	The project is delivered by locally based domestic abuse agencies who have a wealth of experience and understanding of their local communities and will be able to shape the project locally to better meet the needs of children and young people.	
Ethnic Youth Support Team Wales	<p>Supporting BME Children & Young People in Wales: The service aims to improve the wellbeing outcomes of BME Children and Young People with social care needs, through a race-, faith- and culture-sensitive, person-centred and rights-based support service, building on and connecting to EYST's work with BME Children and Young People in Swansea.</p> <p>The services are a referral-based service for BME Children and Young People aged zero to 25 with 'additional' or 'multiple' support needs, working directly with them through early intervention and prevention to achieve specific wellbeing outcomes: securing rights and entitlements, improving physical and mental health, supporting transition to independent adulthood, and protecting from abuse and neglect.</p>	£138,552
Lucy Faithfull Foundation	Keeping Children Safe from Sexual Abuse - public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern	£94,612
Lucy Faithfull Foundation	Early intervention for vulnerable or at-risk families: a child sexual abuse and exploitation early action and prevention project: Keeping children safe from sexual abuse – public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern	£97,153
National Youth Advocacy Service	Parent Advocacy Programme: To support Welsh Government's plans for providing family intervention support with the aim of reducing numbers of children entering the care system in Wales. The project's key aim is preventative intervention whilst ensuring the rights of the child are fully upheld.	£297,399
National Youth	Project Unity: To break the cycle of children of care-experienced mothers being taken into care	£343,707

Advocacy Service	and the prevention of children becoming subject to child protection processes. By providing intensive wraparound support and building peer support networks.	
Platform (formally - Gofal)	Young People's Project 13-16 years old: Platform's Young People's Project, in collaboration with Vibe Youth and Barod, will provide a safe space for young people aged 13-16 years to pause, breathe and connect. Through the provision of a 12-week wellbeing programme, peer support and one-to-one support, young people will be given the opportunity to explore what mental health and wellbeing means to them. Young people will have the opportunity to meet others facing similar challenges, share stories of recovery and everyday strategies for wellbeing. The project will provide the opportunity for young people to train to become peer mentors and will give young people a platform to shape the direction of the project.	£362,397
The Fostering Network	Fostering Communities: Fostering Communities is a whole systems approach to supporting looked after children and their foster families, throughout Wales. At its heart is a ground-breaking, co-production model, facilitating a shared power approach to programme design, delivery and evaluation. The project will empower the fostering community to improve wellbeing outcomes for looked after children and young people within the national wellbeing framework	£279,429
Whizz-Kidz	Moving On: To increase life satisfaction and happiness of young wheelchair users in Wales through sports and movement-based skills programmes in health and education settings.	£79,671

5.3 Care Experienced Children Change Fund

	2022-23	2023-24	2024-25	2025-26	Total
Roll-out of Parental Advocacy	£88,400	£506,000	£506,000	£506,000	£1,606,400
National Adoption Service proposals	£340,042	£638,639	£669,492		£1,648,173
Foster Wales Additional Funding	£181,048	£1,890,829	£2,074,999	£199,756	£4,346,632
Fostering Network Step Up Step Down project		£263,300	£301,300	£314,800	£879,400
Fostering Well-Being project	£225,129	£284,170	£269,062	£272,753	£1,051,114
Total Cost	£834,619	£3,682,938	£3,920,853	£1,293,309	£9,731,719

6. Children's Health

Allocations in the Draft Budget 2025-26 and the latest position on funding for:

- Tackling NHS paediatric waiting times
- Public health as it relates to children and young people, including vaccination
- Obesity strategy
- Mental health services, including child and adolescent mental health services, and services to support perinatal mental health and parent-infant relationships
- Eating disorder services
- Suicide prevention as it relates to children and young people
- Substance misuse, including vaping among children and young people
- Neurodevelopmental services
- Any changes in WG funding arising from the new arrangements for mental health at Hillside Secure Unit. *You recently confirmed to us in writing that from February 2022 a Service Level Agreement, SLA will be in place between Hillside and Swansea Bay enabling a more holistic approach to the mental health needs of the young people residing at Hillside—*

Response:

6.1 Tackling NHS Paediatric Waiting Times

All RTT waits, Diagnostic and therapy waits can be reported by age broken down to zero-16 years and 17-under, 18 years and 18 years and over.

This data has shown an improvement in access to paediatric planned care services.

- **Paediatric RTT waits over two years** have reduced from 5,043 end of April 2022 start of recovery to 1,154 a **77 per cent improvement** higher than total all age reduction.
- The number of specialities with over two-year waits has reduced from 26 in April 2022 to 13 in September 2024.
- All health boards have shown an improvement this varies from 38 per cent BCU to 98 per cent Swansea Bay.
- **Paediatric outpatient waits over 52 weeks** - overall there has been a 33 per cent improvement in September 2024 compared to April 2022. There is a 74 per cent improvement in the reduction of outpatient waits over two years.
- **Paediatric diagnostic waits over 8 weeks** - have increased overall by 127 waits the main impact being at Cardiff and Vale, but as a percentage of waits over eight weeks it has reduced from 37 per cent to 35 per cent.
- **Paediatric therapy waits over 14 weeks** - there has been an overall improvement In September 2024 compared to April 2022 of 69, five health boards showed an improvement with only Aneurin Bevan and Hywel Dda increasing their over 14 week waits.
- A new Paediatric network is being established with a new network manage in post.
- New Joint commissioning board will be able to provide more specific information on specialist paediatric surgery access in England. We only have detail of Welsh providers.

Neurodivergence waits

The exponential growth in demand for neurodivergence assessment is evidenced in the *Review of the Demand, Capacity and Design of Neurodevelopmental Services: Full Report*, (Holtom and Jones, 2022).

To inform the Neurodivergence Improvement Programme, the NHS Executive undertook a review of the children's neurodevelopmental services delivered by Local Health Boards in 2023 with findings shared in February 2024

The Children and Young Person's Neurodevelopmental Services; All Wales Review, (NHS Exec, 2024) evidence efforts by children's neurodevelopmental

services to manage demand, however, continued increases in referrals have resulted in a critical position increasing the fragility of services.

As of September 2024, there were 20,770 children on the waiting list. Indicative projections provided by the NHS Executive are signalling an unsustainable and concerning trend. Modelling, using demand and activity data up to March 2024, suggests that this number is projected to continue to grow at the same, if not a greater rate without further intervention.

To tackle longest waits across Wales, Cabinet has agreed to release up to £3m to support Health Boards to deliver waiting list reduction plans during the remainder of 2024-25. Health Boards have submitted plans and will receive funding based on the likelihood of plan delivery. Allocation letters were sent to Health Boards in November 2024.

Actions Being Taken:

- Delivery will be closely monitored by WG and the NHS Executive.
- Weekly touchpoint meetings are being arranged with each Health Board to track progress, discuss challenges etc.
- Health Boards will be required to submit monthly data reporting on actual activity.
- All Health Boards have been contacted, advised of the monitoring arrangements and asked to provide a named responsible contact.
- Funding will only be released to Health Boards once confirmation of delivery is received.

There are associated risks to delivery which may mean that projected impact may not be fully achieved. Risks include procurement processes for external contractors, staff absence, availability of skilled staff etc. It is also projected that referral demand will continue to increase in this time, so the overall picture is unlikely to significantly change in terms of the level of challenge and numbers of children waiting. The greatest positive impact will be felt by those families who have been waiting the longest.

This is only part of the solution and longer-term solutions are required to address the current backlog and redesign pathways.

Further work to tackle the continued referral demand and waiting times is happening i.e. the Accelerated Design Event 27 and 28 November 2024. Health Boards are expected to engage with this new work alongside current

arrangements under the Neurodivergence Improvement Programme.

6.2 Public Health

Vaccinations

NHS organisations are responsible for managing the funding and ensuring it is appropriately used to provide an equitable vaccination offer to all those eligible, in line with the principles set out in the National Immunisation Framework.

Vaccination Programme Wales (NHS Executive) is responsible for ensuring all programmes are planned and delivered in line with nationally agreed ambitions and principles. Funding for vaccination programmes will increase by £2m for 2025-26.

The Healthy Child Wales Programme

The Healthy Child Wales Programme (HCWP) is a key Welsh Government commitment, setting the strategic direction for health boards to deliver a universal health visiting programme to all families in Wales.

The HCWP spans from the handover of maternity services to the first years of schooling, with services tailored to meet individual needs. It plays a crucial role in improving health outcomes and promoting the well-being of children in Wales.

The Welsh Government publishes quarterly data on the HCWP and expects health boards to review their operations and delivery mechanisms to ensure improved coverage at every contact point.

Officials are exploring options to review the programme's founding principles and current constraints.

Welsh Government has published a new unified operating model to underpin the existing school nursing frameworks in Wales. The operating model will extend the Healthy Child Wales programme universal public health offer to all compulsory school-aged children, regardless of setting. NHS Wales will have two years to fully implement the model across Wales.

Flying Start and Speech Language and Communication (SLC)

Flying Start is funded through the CCG. The CCG allocation for 2025-26 is £179.583m which funds eight related programmes delivered by local authorities. Children and families living in Flying Start areas are eligible for an enhanced level of health visiting support. The promotion of key public health messages and of healthy lifestyles is a key part of the additional Flying Start health support offered by health visitors and the wider workforce.

Flying Start delivery data for 2023-24 shows that 41,328 children benefited from Flying Start services, which is approximately 35 per cent of children under four years old in Wales and is 17 per cent higher than 2022-23.

In addition to the support for SLC for children in Flying Start areas we take a strategic approach to speech language and communication through the Talk with Me delivery plan. The budget allocation for this in 2025-26 is £1.1m (from BEL 0310).

6.3 Obesity Strategy

We continue to invest in our Healthy Weight Healthy Wales strategy to tackle overweight and obesity, with £4.042m allocated to support programmes and activities, such as our three Children and Family pilots, and whole system approach work across all health board areas.

The Children and Family pilots (branded PIPYN) are established in Cardiff, Merthyr and Anglesey. The pilots include a 'nested intervention' which provides one-to-one support to families with young children (aged three-seven years) who are living with obesity. Families can also take part in free and fun local events, delivered in partnership with the PIPYN team, to get active and learn about healthy eating. The programme is also part of a wider systems approach to provide healthier settings and environments for young children and their families.

Whole system approach teams in each local health board, led nationally by Public Health Wales, are embedding a cross sectoral approach at regional level to enable long term, sustainable outcomes.

6.4 Mental Health Services

We continue to ringfence mental health funding for the NHS and in 2025-26 this will be over £820m, including an uplift for demand and inflationary pressures, thus sustaining our investment in mental health services. We have also continued to invest in developments like 111 press 2 to and alternatives to admissions which are key components of our future priorities.

We are investing £2.2m annually in the NHS Executive for the Strategic Programme for Mental Health which is providing a dedicated resource to NHS Wales to drive improvements in performance, quality and safety. This is part of our significant programme of work to improve mental health and well-being, for

instance through our Whole School Approach, NEST/NYTH and our Strategic Mental Health Workforce Plan.

Following the publication of our consultation summary reports for the mental health and wellbeing and suicide and self-harm prevention strategies, the Welsh Government are continuing to develop the final strategies and delivery plans. Vision statement four, outlines our vision for seamless mental health services – person-centred, needs led and guided to the right support first time, without delay. This includes child and adolescent mental health services, and services to support perinatal mental health.

As these strategies will set policy direction for the next 10 years, it is vital that they incorporate the views provided at consultation and reflect the broader policy context in which they will operate. To achieve this, it is anticipated that publication will be aligned with the new 2025-26 financial year.

The strategies have been developed in the current financial context and aim to provide direction to the system to better target resources and are not dependent on new / additional funding. The published strategy will be accompanied by a series of delivery plan, which over the life of the strategy will be renewed and refreshed. This will provide the opportunity to identify new investments should the economic position change.

Also, through the development of the mental health and wellbeing strategy we have confirmed our commitment to strengthen support for parent-infant relationship work in Wales. We are looking to publish the final strategy and associated delivery plan in the new year., aligned with the new financial year. The delivery plan will include our priority actions that we will deliver over the next three-years.

We acknowledge the particular importance of the first 1,000 days of a child's life to their lifelong well-being and the positive impact which early preventative intervention, during this relational period, can have on future physical and mental health and wellbeing.

Our NEST framework sets out shared principles for those working with babies and their families to adopt a whole system approach to mental health and wellbeing throughout childhood.

Our Regional Integration Fund funds projects working with parents and infants on bonding, attachment and mental health and we are committed to continuing this work as it demonstrates important short- and long-term improvements for children's and families' lives.

Our **Flying Start** and **Families First** programmes provide interventions to help give children the best possible start in life; build their resilience and confidence;

and achieve positive wellbeing. The programmes place an emphasis on early help and prevention and tailor support to meet the needs of children and their families. Flying Start and Families First staff, in collaboration with other multi-agency professionals (as part of a team around the family approach), are essential in the early identification of concerns relating to adverse childhood experiences and trauma and can play a crucial role in mitigating their impact on children.

Both Flying Start and Families First sit within the Children and Communities Grant (CCG) which seeks to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. The CCG allocation for 2025-26 is £179.583m which funds eight related programmes delivered by local authorities.

The programmes within this grant seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, thereby contributing to a more equal Wales. The Early Intervention Parenting Support Grant, also within the CCG, provides funding to local authorities to help meet increased demand and enhance their delivery of parenting support services. This is by increasing the skills and knowledge of the parenting and wider workforce, as well as increase the headcount of parenting support workers, to support parents in the main as well as to support healthy relationships and manage inter-parental conflict.

The support through CCG plays a pivotal role in developing healthy secure bonding and attachment relationships between infants and parents. The programmes are designed to provide comprehensive support to parents and families, particularly those facing challenges, which can lead to increased parental confidence, self-esteem and social support and ensure that every child has the best possible start in life.

Recognising the critical importance of mental wellbeing during and after pregnancy, the Families First programme offers support for expectant/new mothers and fathers experiencing mental health challenges. Through multi-agency collaboration, professionals work with families to provide early intervention and tailored support, helping to mitigate the impacts of perinatal mental health issues. This focus on mental health ensures that parents and their families receive comprehensive care that promotes overall family wellbeing and resilience.

Our Parenting. Give it time campaign provides positive parenting information, advice and support to parents with children up to the age of 18 on all aspects of parenting, including practical advice on parenting techniques to support bonding and attachment to develop the parent-infant relationship, as well as

emotional support for the parents themselves. The campaign links up with our family and parenting umbrella campaign, Teulu Cymru.

6.5 Eating Disorder Services

As per response to 6.4, vision statement four, within the mental health and wellbeing strategy, outlines our vision for seamless mental health services – person-centred, needs led and guided to the right support first time, without delay. This includes eating disorder services. The NHS Executive for the Strategic Programme for Mental Health which is providing a dedicated resource to NHS Wales to drive improvements in performance, quality and safety also includes a focus on eating disorder services. This is supported by a clinical implementation network

6.6 Suicide Prevention

We have taken an all-age approach to develop both the suicide and self-harm prevention and mental health and wellbeing to ensure we have a system which will support everyone, and that it promotes better integration between services.

Whilst it takes an all-age approach, it does draw out where we need a specific focus on young people or older adults, and our consultation analysis has provided feedback to how we can strengthen this approach. But what is crucial in our approach is that our services need to be needs led and person centred, rather than being age led. As part of the consultation, we also published draft impact assessments and have provided the opportunity through the consultation to ask whether it was clear about how the Suicide and Self-harm Prevention Strategy and the Mental Health and Wellbeing Strategy deliver for all age groups. This information is now being used to gather further evidence of impact in these areas and this in turn will inform the final impact assessments and delivery plans / strategies.

There is a strong association between exposure to childhood adversity and trauma, the development of health harming behaviours during adolescence, and poorer physical and mental health and wellbeing. We will maintain our current investment in the development of ACE and trauma-aware services and the adoption of trauma-informed practice in 2025-26 (£1m).

6.7 Substance Misuse

As part of the Draft Budget for 2025-26, we will continue to invest in our substance misuse agenda. This totals £67m, of which over £41m goes to our Area Planning Boards (APBs) through our Substance Misuse Action Fund.

Support for children and families is a priority within our Substance Misuse agenda as we know through the work on Adverse Childhood Experiences (ACEs) that children who are raised in homes where substance use is an issue are, potentially, more likely to have adverse outcomes in later life. Through the APB Substance Misuse Action Fund, the Welsh Government invests £6.25m ring-fenced money for children and young people.

The Welsh Government has published a Substance Misuse Treatment Framework (SMTF) for Children and Young People. The SMTF summarises evidence and best practice to guide those supporting Children and Young People with substance misuse issues. We have also published child friendly versions of the SMTF.

Out of Work Service

The Out of Work Service supports people recovering from substance misuse and/or mental ill-health aged 25 or older towards and into employment, or young people aged 16-24 who are Not in Employment, Education or Training (NEET) into education, training or employment.

Between October 2022, when the current service commenced, and September 2024, over 2,000 young people aged 16-24 have enrolled with the service. Of these:

- Over 550 have gained a qualification or work related certificate;
- 170 have entered further learning;
- Almost 300 have completed work experience or volunteering opportunities; and
- 160 have entered employment.

£13m has been invested in delivering the Out of Work Service between 2022-23 and 2024-25 including £5.4m in 2024-25. By March 2025, the Service will have supported up to 10,000 people.

The Service delivers against several Welsh Government strategic commitments in respect to supporting people with substance misuse and/or mental health conditions, not only through structured treatment and healthcare, but also

through a range of other measures. This is set out in a range of Welsh Government key strategies including Stronger, Fairer, Greener Wales – a Plan for Employability and Skills and delivering the Young Person's Guarantee.

We will be considering options to extend the current contracts which end in March 2025 into 2026-27.

6.8 Neurodevelopmental Services

To support delivery of improvements to neurodivergence services, £11.5m was made available from 2022-25, this includes support for the National Neurodivergence Team and provides advice and support for families and carers. We are also implementing the Autism Code of Practice published in September 2021, including updating the code to include other ND conditions. In 2022 a further £12m was made available for an ND Improvement programme to address the critical fragility in ND services as demand is far exceeding capacity to respond. This programme is making good progress in supporting innovation and service improvement, this includes, for example, working in collaboration with the NHS Executive to arrange a children's ND service re-design event on 27-28 November, with 170 professionals and people with lived experience.

A further £3m has been allocated to health boards in 2024-25 to reduce the longest waiting times for children's ND services, providing up to 2,000 additional assessments by end of March 2025. This work and the outcomes from the ND programme, including the children's ND service re-design event in November 2024 will provide evidence for ND policy planning and delivery post 2025.

Continuation of the existing baseline funding for ND is being considered, this would support the National Neurodivergence Team and complete the updated Statutory Code of Practice on ND Services currently in development. Proposals are also being considered for extending the ND Improvement Programme for a further two years up to March 2027.

6.9 Hillside Secure Unit

Welsh Government has provided a significant amount of capital funding to Neath Port Talbot Council to enhance Hillside Secure Children's Home over the last decade. In terms of funding towards services (running costs) provided at Hillside this is something that the Welsh Government does not contribute towards - costs are covered by Neath Port Talbot Council from the revenue generated from the "bed prices" that the Youth Custody Service and Local Authorities pay them.

7. Cost of Living

General commentary about the impact of cost of living on:

- **Health boards:** the delivery of services to children and young people by the Health Boards in Wales and the impact of the rising costs of energy on this provision.
- **Social services:** the provision of all social service activities of Local Authorities in Wales and any associated discussions with the Cabinet Secretary for Housing and Local Government.
- **Child poverty:** details of what discussions have taken place with other relevant cabinet colleagues in respect of allocations which have a significant impact on children's health and social care, for example the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip in terms of the budget of the Children's Commissioner for Wales and broader policy issues such as child poverty.

Response:

7.1 Health Boards

As with other public sector organisations, inflationary pressures on non-staff budgets, including energy costs, have been a significant challenge for the NHS in recent years including 2024-25. Local Health Boards were given an uplift for 2024-25 for demand growth and inflation. They have also faced significant pay pressures and periods of industrial action.

The plans they submitted earlier this year detailed a combined deficit position of £220m. There are a range of cost drivers that sit behind the planning deficit, but inflationary pressures and growth in demand for services will be prevalent. Whilst we cannot disaggregate the position for children and the services the NHS provide for them, they will inevitably be subject to these impacts.

7.2 Social Services

The bulk of Welsh Government financial support for social and children's services is delivered through the un-hypothecated local government revenue settlement, although there are also significant specific grant funding streams. The Local

Government settlement for 2023-24 saw an increase of 7.9 per cent, following an increase of 9.4 per cent the previous financial year.

The level of support for 2024-25 is £5.688bn, an increase of 3.1 per cent. Local Authorities will have experienced significant inflationary, and demand increases across the breadth of their functions in 2023-24, a significant proportion of which will be baselined since they relate to staff costs whether in-house or through commissioned services.

The Welsh Local Government Association, on behalf of local government, collectively provides its assessment of the pressures, priorities and opportunities for local authorities each year for discussion at the Finance Sub-Group. Local Authorities will also be considering the level of council tax each wishes to set for the next financial year. Local Authorities will set their own budgets for each service prior to 10 March 2025.

Details on local authority expenditure by service is published annually. The trend over recent years has been for social services and education to be allocated an increasing proportion of the total revenue expenditure by local authorities, with social services having seen the biggest increase in expenditure in 2022-23.

Pressures, including in relation to social care, are regularly discussed between Ministers, including with the Cabinet Secretary for Housing and Local Government.

7.3 Child Poverty

The Cabinet Secretary for Health and Social Care has regular conversations with Cabinet colleagues on matters which impact on children's health and social care. For example, he recently met with the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip to discuss the cross-government priorities of tackling inequality and poverty; specifically progress on the commitments that fall within the health and social care portfolio in the refreshed ARWAP, the outcome of the Disability Rights Taskforce, and the Child Poverty Strategy.

8. Cost of Legislation

- Financial implications or anticipated in of any subordinate legislation relevant to children and young people within the Minister's portfolio.
- Information on the financial impact of any relevant UK Parliament legislation

Response:

8.1 Financial Implications

No subordinate legislation involving relevant costs has been identified.

8.2 Financial Impact

No financial impacts of UK Parliament legislation have been identified.



Children, Young People and Education Committee

Evidence paper on Draft Budget 2025-26 – Education Main Expenditure Group (MEG)

Evidence session: 16/01/25 09:30 – 11:00

This paper provides information to the Children, Young People and Education (CYPE) Committee on the Education Main Expenditure Group (MEG) proposals outlined in the draft Budget 2025-26, published on 10 December 2024. It also provides an update on specific areas of interest to the Committee.

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1. Cross-cutting areas

Transparency of budget presentation

The table below provides an overview of the Education MEG plans as published in Draft Budget 2025-26 on 10 December. This confirms increases in fiscal resource (revenue) of £83.5m (4.9%) and general capital of £28m (8.1%) and decreases in non-fiscal resource (non-cash) of £13.3m (4.8%) and Financial Transactions Capital (FTC) of £1.7m compared to the 2025-26 revised baseline.

Education MEG	Plans as per 2024-25 Final Budget Restated September 2024	Baseline Adjustments	Revised Baseline	Additional Allocations	Other Changes	Draft Budget (Dec 2024)
£000s						
Fiscal resource (revenue)	1,697,506	18,665	1,716,171	83,560	-50	1,799,681
Non-Fiscal resource (non-cash)	518,507	-237,569	280,938	3,131	-16,475	267,594
Total Resource	2,216,013	-218,904	1,997,109	86,691	-16,525	2,067,275
Capital	346,500	0	346,500	28,000	0	374,500
Capital - FT	2,102	-2,102	0	0	-1,701	-1,701
Total Capital	348,602	-2,102	346,500	28,000	-1,701	372,799
Total Resource & Capital	2,564,615	-221,006	2,343,609	114,691	-18,226	2,440,074
Resource AME	6,584	-	6,584	-	-107,426	-100,842
Capital AME	1,285,227	-	1,285,227	-	67,936	1,353,163
Total AME	1,291,811	0	1,291,811	0	-39,490	1,252,321
Total – Education MEG	3,856,426	-221,006	3,635,420	114,691	-57,716	3,692,395

The baseline used for the 2025-26 Draft Budget is the 2024-25 Final Budget (restated September 2024) adjusted for recurring baseline adjustments for 2024-25 to support the 2024-25 public sector pay award and increases to pension contributions from April 2024 due to a change in rate called Superannuation Contributions Adjusted for Past Experience (SCAPE). There are further baseline adjustments associated with the non-cash provision budget for student loans in line with the adjustment made in the First Supplementary Budget 2024-25 and non-recurrent funding for Financial Transactions (FT) Capital. A breakdown of baseline adjustments is provided within the Education MEG summary at [Annex A](#).

Fiscal resource, revenue«

Additional recurrent revenue funding of £73m is allocated to the Education MEG in 2025-26. Further non-recurrent allocations totalling £10.6m have been allocated, including £3.7m ring-fenced for VAT compensation on post-16 specialist placements in private special colleges which will be subject to 20% VAT from 1

January 2025 and £6.9m to support the annual service charges for Education Mutual Investment Model projects.

As requested by the Committee, a summary of allocations from central reserves is provided at [Annex B](#).

Non-Fiscal resource, non-cash

The reduction of £13.3m to the Education MEG's non-cash budget primarily relates to the return to reserves of £15.6m for Student Loans, reflecting the latest Office for Budgetary Responsibility (OBR) forecasts and the impact on the Resource Accounting and Budgeting (RAB) charge for the estimated cost to support the student finance system.

Excluding this transfer, there is a net transfer in from reserves of £2.3m, which reflects updated forecasts for depreciation and amortisation costs from sponsored bodies and the costs associated with the reclassification of budgets associated with the accounting standard for leases (IFRS16) adopted from 1 April 2022. Until now, these transfers have been formalised as part of a supplementary budget.

Capital

We are investing an additional £28m capital into the Education MEG in 2025-26, of which the majority (£27.6m) will continue to support our successful school and colleges Sustainable Communities for Learning Programme. A further £0.4m is allocated to support the capital requirements of Medr, the Commission for Tertiary Education and Research.

There are no FT allocations in this budget for the Education MEG and the £1.7m reduction reflects the agreed repayment profiles in respect of loans issued in prior years under the Sustainable Communities for Learning Programme.

AME

This budget is related to student loans which are demand led and sensitive to interest rate and other macro-economic factors. This budget is agreed with the Treasury each year and the AME draft budget figures reflect the forecasts submitted to the OBR in September 2024.

Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations

A breakdown of the Education MEG by Action and BEL is provided at [Annex A](#). This provides, as requested by the Committee, details on allocations for Final Budget 2024-25, First Supplementary Budget 2024-25, forecast 2024-25 outturns (period 6), and 2023-24 final outturns. As noted, the summary also includes the revised baseline changes and budget for comparative purposes.

A separate commentary by Action has not been provided this year as the key changes from 2024-25 are reflected in [Annex A](#) and [B](#), together with commentary on these changes reflected in both the 'cross-cutting' and the 'specific areas' sections of this paper. We are happy to provide this to the Committee at a later date if still required.

Education priorities and other strategic priorities

Our funding decisions in this draft budget have been underpinned by our Government priorities. Clarity over how we use our resources effectively is central to delivering our priorities. Our priorities for Education are clear: improving attainment to boost standards in our schools and colleges and increasing attendance as a means of driving up attainment for all children and young people. Curriculum and ALN reform remain central to this. To support our priorities we have prioritised funding for 2025-26 in this budget:

- An additional **£7m** is allocated to support school attendance to enable a package of interventions aimed at tackling disaffection, engaging families and supporting learners to attend education. This includes £6m to boost funding to local authorities via the Local Authority Education Grant (LAEG), to increase the number of Family Engagement Officers (FEOs), provide funding for Community Focussed Schools (CFS) and to support additional enrichment and engagement activities. A further £1m will be allocated to expand the School Holiday Enrichment Programme (SHEP) in line with our Programme for Government commitment with the programme now worth £5.8m next year. This underlines the commitment to increase attendance levels to at least where they were before the pandemic.
- Literacy and numeracy are the building blocks of learning and we are investing an additional **£10m** to support learning and attainment in these areas. This will provide essential funding for national support programmes to enhance teaching in literacy and numeracy, including phonics support, together with specific and targeted interventions to support learners struggling with literacy and numeracy. This recognises the importance of consistent and high-quality professional learning and support to raise standards for every child. It will also include funding of initiatives aimed at increasing the range and quality of information available nationally on learners' attainment. From this package of additional support, £2.5m will be allocated to local authorities through the LAEG to increase their capacity to support schools locally and to embed approaches delivered through the national programmes.

- An extra **£14.3m** will support delivery of Additional Learning Needs (ALN), including £10m via the reform strand of the LAEG, £2m for national consistency and upskilling of the workforce through national professional learning, and £2.3m to support learners in independent specialist post-16 placements.
- A boost in funding for school standards to help retain teaching and other school staff with an extra **£7.8m** through the School Standards strand of the LAEG.
- For tertiary education, an extra **£31.6m** is allocated, including an additional £29.2m through Medr to support forecast increases in participation in post-16 education and to ensure continuation of pay parity between schools and colleges, to maintain the highest standards and teaching quality wherever learners undertake their post-16 education. It will further support development of wellbeing and mental health support in further and higher education, to give learners the best possible support to remain in education.
- An additional **£1.6m** is being invested to support the Hwb national programme, ensuring access to appropriate digital tools and services for all learners and practitioners in maintained schools.
- The extra **£28m** capital in our educational estate will support standards by providing an environment that encourages higher attendance and attainment and supporting communities across Wales.

The additional funding in 2025-26 builds on the extra funding allocated in 2024-25 to support our priorities in Education.

We have heard regularly from teachers and from school staff. Our **sector wide improvement priorities** will underpin the improvements we all want to see and which are supported by this budget. This clear set of priorities will help us to manage workload, prioritise resources and focus our collective efforts on enabling real improvements for young people.

These budget proposals reflect my continuing commitment to protect and prioritise investment that supports preventative measures as far as possible. The spending decisions have not only considered how best to meet the current demand for services but have also focused on supporting interventions that are able to prevent problems arising in the future. This preventative approach is an important part of our planning for public services, both now and in the future.

We recognise the significant pressures schools and local authorities are under and appreciate the great efforts of the school workforce as they continue to operate in such challenging circumstances. As part of budget preparations, the Cabinet Secretary for Finance and Welsh Language and I, alongside Cabinet colleagues, have discussed the level of resources to support education, including front-line funding to schools. To safeguard as far as possible core funding to schools, we have continued to prioritise funding through an increase to the Local Government settlement of £253m (4.3%) in 2025-26. This recognises the powerful points that local authority partners and our schools have made around pressures to deliver upon the statutory responsibility for ALN and wider education provision.

The additional funding invested continues to support the Programme for Government, and we continue with our commitment to reducing the administrative burden on local authorities, to allow them to focus on their vitally important work delivering services. The new grant approach simplified and streamlined funding to local authorities and schools in line with our national mission of high standards and aspirations for all. This grant will continue into the 2025-26 financial year, providing local authorities with reduced grant administration, whilst improving transparency and allowing flexibility to deliver on priorities. In supporting schools and local authorities, we have increased the additional funding we provide through the LAEG by 5.5% compared to 2024-25.

Through the LAEG we have protected funding for the Pupil Development Grant (PDG) that funds schools to support our most economically vulnerable learners, through the Equity strand of the LAEG. We are also maintaining the £93.5m budget to support UPFSM provision, ensuring all primary school learners continue to have a free school meal.

We are introducing a new Curriculum for Wales grant support programme to provide focussed support to schools and settings from April 2025. This new strategic approach to grant funded curriculum support is prioritising wider (non-LAEG) funding for Programme for Government commitments, such as our transformational curriculum, the national music service, and the enhancement of international language learning, as well as support priorities for literacy and numeracy.

In tertiary education, an additional £1.5m will support increasing and widening participation in post-16 education, including widening access to the Seren programme to support disadvantaged learners into higher study. A forecast £2.9m (of which £0.9m is an additional allocation to the student support budget) will support an increase the household income thresholds for the Education Maintenance Allowance from the 2025/26 academic year onwards.

Children's rights and other cross-cutting considerations

CRIA

Detailed impact assessments, including a Children's Rights Impact Assessment (CRIA) are undertaken as part of our ongoing policy development and review. A Strategic Integrated Impact Assessment (SIIA) is one of a suite of documents published as part of the draft Budget and is critical to identifying key trends, strategic and cumulative impacts at portfolio level, across a range of areas, including giving due consideration across the statutory requirements.

Wellbeing of Future Generations, Wales Act 2022

All Cabinet Secretaries are committed to using the Well-being of Future Generations (Wales) Act to improve how we make decisions about the social, economic, environmental and cultural well-being of Wales. Our goal is to ensure we reflect the sustainable development principle and our spending plans aim to achieve a balance between short and long-term priorities. We recognise the need to collaborate with our partners and to use our collective resources effectively to plan for the tough choices ahead.

Costs of legislation

Details of allocations within the 2025-26 budget intended for the implementation of primary legislation–

Up to £0.345m will be budgeted within the Tertiary Education Policy and Implementation BEL in 2025-26 to support Tertiary Education and Research (Wales) Act 2022 implementation costs, primarily related to the continued development of secondary legislation. Further detail on Medr, is outlined in the Higher Education and post-16 student financial support section.

The costs related to implementation of the Curriculum and Assessment (Wales) Act 2021 are set out within the curriculum reform section.

The costs related to implementation of the Additional Learning Needs and Education Tribunal (Wales) Act 2018 in 2025-26 are set out within the ALN section.

Information on the financial impact of any relevant UK Parliament legislation–

We are not aware of any UK Parliament legislation that may impact on our budget for 2025-26. However, we continue to monitor UK Government's Legislative Programme and will update the Senedd where necessary.

Financial implications in 2025-26 of any relevant subordinate legislation–

The budget will continue to take account of relevant subordinate legislation in 2025-26. Assessing the costs of implementing legislation and the impact on those

it affects is an essential part of ensuring that the principles of “Good Law” are followed. Draft regulations are subject to a robust assessment of costs and benefits, achieved through consultation and engagement with our stakeholders, in the development of the Regulatory Impact Assessments. This is to ensure our decisions are informed by the people who will be affected by them.

Impact of the COVID-19 pandemic

Information on any remaining provision in the Education MEG in 2021/22 and 2022/23 for dealing with and recovering from the impact of the pandemic[for example whether the)Recruit[Recover[Raise Standards ,RRRS« programme is continuing in 2022/23-

As outlined to the Committee last year, funding for RRRS programme was intended to be time limited. However recognising that the far reaching impacts of the COVID-19 pandemic have not gone away, funding for RRRS programme of £28.5m was amalgamated into the School Standards strand of the LAEG from 2024-25, along with a further boost in funding of £10.9m to the overall grant. Whilst the formal RRRS programme no longer exists, the funding transferred to the LAEG is being maintained for 2025-26 along with a further £7.8m increase for the School Standards strand to further support schools in these challenging times.

We will be allocating just under £0.2m from the Teacher Development and Support BEL in 2025-26 to continue to fund researchers to lead on a long-term study that will track the impacts of the COVID-19 pandemic in the short, medium and long-term. This will highlight current and emerging effects on children and young people’s learning and well-being outcomes and will allow any mitigating interventions to be effectively monitored and assessed.

Impact of cost of living pressures on delivery of education services

Like all publicly supported services, schools, colleges, universities and training providers continue to operate under significant cost constraints, particularly regarding pay, energy, and consumables. There are no easy answers to addressing these increased costs within the current budget settlement, particularly for education providers that have seen a significant decrease in non-governmental sources of income (such as universities). Providers will need to find ways to operate efficiently and with tighter margins, to ensure the best value for public funds. We recognise the impact of these pressures and continue to engage closely with our stakeholders on these issues.

During the current 3-year Infrastructure Finance Plan, over £1bn of capital will have been invested in school and college buildings through the Sustainable

Communities for Learning Programme. This investment is helping schools and colleges to replace or improve poor quality buildings to the Programme's net zero carbon standard, delivering more energy efficient learning environments across Wales, thereby reducing revenue costs.

Budget monitoring and the current financial context

Information on the processes in place for monitoring budgets within the Education MEG throughout the year–

Careful financial management is essential given the financial pressures facing public services. All budgets continue to be monitored and challenged monthly during 2024-25, to consider the latest forecasts and budget movements as necessary and to ensure a balanced outturn by year end. I receive regular financial updates on the forecasts for the Education MEG to ensure that budgets remain on track to deliver my priorities.

Details of any changes to the 979.132 Education MEG that are already anticipated in the Second Supplementary Budget–

The baseline adjustments for 2025-26 to support 2024-25 public sector pay award and increases to pension contributions (due to SCAPE) from April 2024 are reflective of the changes already anticipated in the Second Supplementary Budget. This includes funding to support the 2024/25 teachers' pay award and ensuring pay parity for post-16 education. A further £5m capital has also been agreed to support the Sustainable Communities for Learning Programme, following the £10m capital reduction as part of last year's budget.

The extra funding in 2024-25 to support our priorities in Education will also be formalised through the supplementary budget process.

The implications for the Education MEG of the UK Government's Budget of 07 October 979.1–

The UK Government's budget on 30 October provided a very welcome investment for Wales, with our settlement being £1.7bn higher over 2024-25 and 2025-26. This includes an additional £774m resource (to include public sector pay deals) and £49m capital in 2024-25 and further increases of £695m resource and £235m capital in 2025-26. Whilst the changes to funding in England on programmes which are devolved in Wales result in changes to our block grant via the Barnett formula, it is for Welsh Minister's to decide how to allocate in line with priorities for Wales. In this budget, the additional funding through the UK Budget has supported additional investment in our Government priorities.

For Education, this funding has provided additional support in 2024-25 for teachers pay and pensions, ensuring parity for colleges, together with supporting

uplifts for pay and pensions to our Arm's Length Bodies. It has also provided additional in-year funding to support our priorities. In 2025-26 funding has supported the £73m revenue and £28m capital uplift to the MEG. As noted, in addition to funding via the Education budget, the increase to the Local Government settlement will also provide additional support to schools, supporting wider education provision.

2. Specific areas

This section provides an update on specific areas requested by the Committee.

Funding for school budgets

An explanation of how the Welsh Government has prioritised funding for schools in the 2025-26 Draft Budget, in both the Housing and Local Government MEG and the Education MEG and taken account of the Sibbota review of school spending in its approach to setting this budget–

The main source of funding the Welsh Government provides to schools is to local authorities through the Local Government settlement. As noted, we have provided a £253m or 4.3% rise through the un-hypothecated settlement in 2025-26.

Since the introduction of the simplified and streamlined LAEG in April 2024, we have worked closely with partners on the new funding mechanisms. We are currently engaging with stakeholders to review impact within the sector.

For 2025-26, just under £400m will be invested through the LAEG, a rise of 5.5% compared to 2024-25. Our demand-led schemes continue to remain outside of this, due to specific claims on actual demand being necessary for payment purposes; these schemes include, UPFSM, School Essentials and Post-16 Specialist Placements funding.

The *Review of School Spending in Wales* underlined the unnecessary complexity in our system, and the simplification of our grants goes some way to reducing complexity and ensuring transparency of school funding in Wales.

An update on the review of local authority mainstream school funding[which the Welsh Government is carrying out] and potential amendments to the School Funding, Wales Regulations 2017 –

Continued progress is being made against the recommendations of the School Funding Review. We have been considering proposed amendments to the school funding regulations, and as part of this have reviewed the 22 local authority school funding formulas across Wales to gain a better understanding of them.

The first phase of this work, which included an in-depth and comprehensive analysis of each individual local authority school funding formula, concluded in Autumn 2024

Next steps for this programme of work will commence in early 2025.

The Minister's perspective on the level of school budget reserves[in the context of the Q3 March 2025 data due to be published in late October 2025]–

We always maintained that the high level of reserves seen by schools over the past few years would be temporary, and the latest data is reflective of that. This confirms that school reserve levels have decreased by 45% to £115m between March 2023 and March 2024. We will continue to support local authorities in working with their schools to manage their budgetary positions flexibly in light of the current circumstances.

Funding for school improvement and raising standards

An explanation of how the Draft Budget 2025-26 supports school improvement and raising standards of education–

Our sector wide improvement priorities are my focus and will underpin the improvements we all want to see and which are supported through this budget. This clear set of priorities will help us to manage workload, prioritise resources and focus our collective efforts on enabling real improvements for young people.

Attendance, literacy and numeracy remain our focus to support school improvement and to raise standards. We know there is a strong link between school attendance and attainment. The Education Priorities section outlines the additional funding we are investing in these areas to boost school standards.

School improvement services are provided through local authorities and the increase to the local government settlement will support core funding to schools to raise standards.

The streamlining of our grants in 2024-25 has helped ensure that resources are being targeted and delivered in the most appropriate, efficient, and effective ways. Through the School Standards strand of the LAEG, we will see funding of over £167m directed at schools and other settings to support school improvement and learner recovery post-pandemic to raise standards.

Details of the Local Authority Education Grant ,LAEG« in 2025-26[including a breakdown of its four strands–

Just under £400m will be provided in 2025-26 through the LAEG to support our schools and local authorities (excluding our demand-led schemes). A breakdown of the funding to be awarded through the four strands is detailed below.

LAEG strand	£000
School Standards	167,689
Equity	156,250
Reform	67,261
Cymraeg 2050	8,600
Total LAEG 2025-26	399,800

Details of how much LAEG was paid to each local authority in 2024-25 [including a breakdown by the four strands–

A total of £379m is being provided in 2024-25 through the LAEG to support our schools and local authorities (excluding our demand-led schemes). A breakdown of the funding awarded is provided in [Annex C](#).

Any assessment undertaken on whether the amalgamation of the individual grants into the LAEG in 2024-25 has resulted in any dilution of previously ring-fenced activities and interventions–

We are currently working with stakeholders to review the impact of the grant amalgamation arrangements introduced in 2024-25. My officials have continued close engagement with local authorities, their partnerships and regional education consortia through 2024-25, particularly on areas of ongoing development, such as the reform strand of the LAEG. This work includes developing shared understanding on priorities such as the curriculum (including for literacy and numeracy) and ALN. For the LAEG reform strand, 2024-25 was explicitly set out as a transitional year, and that collaborative working is ongoing as plans evolve towards 2025-26 and beyond.

Whilst we have not been notified of any significant or concerning issues, we will review this position as part of our feedback through our stakeholder engagement which is currently being undertaken.

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–

My [Written Statement](#) of 4 October set out the actions we are taking to support literacy and numeracy under the Curriculum for Wales. A sustained improvement in education standards is a top priority for this Government, with literacy and numeracy being key to achieving this. We are committed to ensuring schools and settings have access to high quality professional support, tools and resources.

Funding for literacy and numeracy development in schools is provided through three elements of our draft Budget, with the Local Government settlement to local authorities representing our most significant investment in education and local services.

In addition to the settlement, the LAEG reform strand, does include funding for literacy and numeracy development for both schools and local authorities and their partnerships. We are maintaining £6m funding for schools for curriculum improvement. In this draft budget, I am increasing our total investment in supporting literacy and numeracy by £10m. This additional funding will provide essential national support for the teaching of literacy and numeracy, targeted

interventions for learners struggling in these areas, and includes increasing LAEG funding for literacy and numeracy by £2.5m to supplement existing funding and increase local authorities' capacity to support standards in literacy and numeracy in their schools and settings. It also includes funding to improve the quality and availability of national information on how well learners are learning.

As noted, a new Curriculum for Wales grant support programme will be introduced from April 2025. This programme will be funded through the Curriculum and Assessment BEL and will bring together future grant awards for (non-LAEG) curriculum support under a common longer-term approach. It will also align support more closely to the nationally agreed priorities set out in the oral statement of 2 July 2024. Support for curriculum design, progression, and assessment, as well as literacy and numeracy, are key priorities under this new grant programme.

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–

The PDG has a key part to play in achieving the Welsh Government's ambition of high standards and aspirations for all. Year on year, the Welsh Government has invested in the Pupil Development Grant. Funding of around £128m has been allocated to PDG in 2024-25 and funding is being maintained in 2025-26. The PDG is now allocated through the Equity element of the LEAG, with local authorities required to passport PDG funding in full to schools and settings as set out in the published school level allocations.

This academic year, Welsh Government have also commissioned a pilot Poverty Proofing project to directly support schools to address educational disparities and reduce poverty-related barriers and stigma. In addition, Welsh Government has published a set of refreshed 'Price of Pupil Poverty' guides and case studies, which include a resource focused on preventing poverty-related bullying.

Information on budget provision for the School Essentials Grant and expenditure in 2024-25 and projected in 2025-26–

The School Essentials Grant has made a significant difference to many lower income families across Wales, helping to reduce the worry surrounding the purchase of school uniform and equipment, enabling children to attend school and take part in activities at the same level as their peers.

Over 90,000 eligible learners benefitted from the School Essentials Grant in 2023-24. In 2024-25, funding of £13.1m has been made available for the School Essentials Grant and we are monitoring uptake of this grant on a quarterly basis. The budget is being maintained at this level in 2025-26.

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

We recognise that increased cost of living is a barrier to tertiary education participation, particularly for learners from lower-income backgrounds. That is why we have decided to increase the household income threshold for the Education Maintenance Allowance (EMA), in line with recommendations of a recent [review](#), with additional funding allocated to the Student Support Grants BEL to support this change. The increase to EMA household income thresholds will provide EMA to an estimated additional 3,500 post-16 learners, taking total expenditure on EMA to an estimated £19.7m in 2025-26. Full detail on the increased household income thresholds for learners will be released when applications for EMA are launched in the spring.

Medr will continue to allocate Financial Contingency Funding (FCF) to post-16 providers, which supports eligible learners who are facing financial difficulties or who are at risk of leaving education. FCF helps with costs such as fees, course related costs, transport, meals, and childcare costs. Further details will be announced when Medr publishes its funding allocations.

We continue to provide a progressive higher education student finance system, with the highest levels of non-repayable grant support provided to those most in need, and the highest overall levels of maintenance support for undergraduates in the UK.

We remain committed to widening access to higher education and have tasked Medr with setting ambitious targets for universities and colleges to reduce the inequity of access to tertiary education and improve intake.

Budget provision for the roll out of universal free school meals in primary schools in 2024-25, 2025-26 and whether any budget is needed for this in 2026-27 given the roll out completed in September 2024

A total of £93.5m revenue was allocated in 2024-25 to deliver universal primary free school meals. Although roll out was completed in September, there is an ongoing budget requirement to support local authorities with the continued delivery of the offer. Therefore, the budget within the Food and Nutrition in Schools BEL is

maintained at £93.5m in 2025-26. As of the start of September, 174,500 learners were newly eligible for a meal, and more than 30 million additional meals have been served since the launch in September 2022.

A further breakdown of the funding provided to local authorities in 2024-25 for the universal provision of free school meals–

A total of £92.8m was provided to local authorities across Wales in 2024-25 as part of their grant allocation for delivery of universal primary free school meals. Annex D provides a breakdown of allocations to local authorities.

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 explanation of how these projects and funding streams relate to each other

We have allocated an additional £1m to the Food and Nutrition in Schools BEL to expand SHEP, also known as 'Food and Fun', taking total budget provision to £5.8m in 2025-26. The funding will support an increase in the number of available cohorts up to approximately 380.

We know that positive engagement with school is essential in fostering belonging and attendance and engagement is often built through positive and enriching experiences outside of the classroom. Together with the additional £0.3m in 2024-25, we are allocating an extra £2m in 2025-26 to support schools to provide or enhance enrichment provision either during school holidays or term time. This funding will enhance social and personal skills, build confidence and provide disengaged learners with an incentive to return to school, which is critical to tackling non-attendance.

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–

There remains dedicated funding within the Teacher Development and Support BEL to support ITE:

- £2.85m to deliver the 'alternative' ITE routes for Part-time PGCE and the Salaried PGCE, which are commitments under the Welsh in education workforce plan and the Anti-racist Wales plan. The funding provides grants, which include training grants for students and salary contribution grants for schools supporting a student teacher on the Salaried PGCE. The budget is demand-led with spend highly dependent on recruitment onto the

programmes. Work undertaken by our delivery partner the Open University has shown that student teachers on this programme are a genuinely unique cohort that would have been unable to undertake ITE and enter the teaching workforce via a 'traditional' full-time qualification.

- £2.72m to continue to deliver the Priority Subject & Black, Asian and Minority Ethnic incentive schemes intended to support recruitment into the profession via ITE. The budget is demand-led and is highly dependent on recruitment levels into full-time and part-time ITE programmes.
- £0.745m for the Iaith Athrawon Yfory Welsh-medium incentive scheme, which is targeted at student teachers preparing to teach secondary subjects through the medium of Welsh, or Welsh as a subject. Again this budget is demand-led and highly dependent on recruitment levels into full time and part-time ITE programmes.
- £0.160m will continue to be made available in 2025-26 to support costs relating to developing evidence informed policy to continue to support the Welsh Government's ambitions for a high-quality ITE sector. This funding will continue to support the ongoing recruitment of Black, Asian, and Minority Ethnic student teachers into ITE, an evaluation into the policy support ITE in Wales, and stakeholder events to support the ITE sector to meet Welsh Government's priorities.
- Up to £0.250m will again be allocated in 2025-26 to continue the communications and marketing campaign 'Teaching Wales'. The campaign continues to evolve based on audience insight and research.

An evaluation of the policy to support ITE in Wales will be conducted in 2025 and report in 2026; this will include research into the efficacy of incentivisation.

Details of budget allocations to support professional learning for current teachers[including in light of the ongoing implementation of education reforms–

We want all practitioners to have access to quality professional learning. In October 2024, I **announced** my intention to bring together some of the current functions of the regional consortia and local authority partnerships and the National Academy for Education Leadership into a national body. The body will be responsible for designing and delivering professional learning and leadership support on a national level in response to the need for increased consistency and clarity of offer. The aim is for the national body to be established by 1 April 2025 and operational from the 2025/26 academic year. The first year will be a transition year.

In 2025-26 we will again be allocating approximately £35m to support the development and delivery of professional learning.

Approximately £18.8m will remain in the Reform strand of the LAEG. This is a reduction of £2.465m from 2024-25 to reflect the movement of responsibility for

delivering professional learning to the national body (with funding transferring to the Teacher Development and Support BEL). Of the £18.8m remaining in the LAEG Reform BEL:

- £13.5m will be allocated directly to schools (increase of £1.5m from 2024-25), and
- £5.3m will be available for local authorities to facilitate local professional learning.

A further £1.4m will remain in the Cymraeg 2050 strand of the LAEG to support Welsh-medium and Welsh language professional learning in line with the intentions of the Welsh Language and Education (Wales) Bill. This is a reduction of £1.1m from 2024-25 as the funding is being moved to Teacher Development and Support BEL to be allocated to the National Centre for Learning Welsh and the new professional learning body to develop and deliver national professional learning for Welsh-medium practitioners and to develop the language skills of all practitioners (see below).

Of the remaining £14.8m approximately £5.7m will be allocated to the national body for a range of professional learning programmes including the teaching assistants, leadership, Welsh language and pedagogy programmes. Approximately £9.1m will remain with the Welsh Government during the transition year to fund other national professional learning including the induction programme for Newly Qualified Teachers, the national Masters (MA) and Doctorate (EdD) in education, professional learning to develop the enquiry skills of practitioners and professional learning to support the Welsh language skills development of practitioners and for the use of digital technology amongst others.

Information on funding provided by the Welsh Government to the Education Workforce Council–

The Teacher Development and Support BEL includes net core funding for the Education Workforce Council (EWC) of £0.944m for 2025-26, of which £0.263m is revenue to support the promotion of careers and £0.681m non-cash to support depreciation costs. The revenue budget includes an extra £0.008m for pension costs from April 2024 which has been baselined into 2025-26.

The contribution to registration fees of £1m will not be provided once again in 2025-26. The EWC has been asked to continue with the collection of registration fees at the subsidised rates, so this reduction will not impact on the fees for teachers and other education professionals.

Grant funding for activity that the EWC undertakes on the request of, and on behalf of Welsh Government totalling £7.4m will be allocated in 2025-26, including

for the administration and notification of Qualified Teacher Status and induction appeals and certification.

Details of any budget provision for meeting the costs of the teachers pay award for academic year 2023-24 including a breakdown between the 2023-24 and 2024-25 financial years and the respective mechanisms used, whether direct grant or incorporated into the local government settlement

In September I published the report from the Independent Welsh Pay Review Body (IWPRB) covering recommendations for teachers' pay and conditions and announced an increase to all salaries and allowances of 5.5% from September 2024.

Whilst meeting the cost of teachers' pay is part of the core funding provided by local authorities through the Local Government Settlement, where timing does not allow for inclusion of specific and unforeseen amounts within the settlement, the Welsh Government has in the past provided additional grant funding in-year. Given the difference between the planned pay uplift and the increased pay award, in November I committed to providing additional funding to support local authorities and schools with the budgetary impacts of the pay uplift.

For 2024-25, £18.164m (for September 2024 to March 2025) has been allocated to the Education MEG and will be formalised through the second supplementary budget process, with a further £5m of funding allocated to support ALNCOs and working towards recommendations (3-5) of the IWPRB Fifth Report. This funding is being distributed via the LAEG.

In 2025-26, the £18.164m has been added to the Local Government settlement budget (within the Housing and Local Government MEG), together with an additional allocation of £12.974m for 2025-26 to account for the full year impact of the 2024/25 pay award.

To ensure pay parity for further education and school sixth form teachers, who are funded via Medr, just under £6.1m was allocated through the Education MEG in 2024-25, with this funding being baselined within the Medr BEL into 2025-26, along with a further £3m allocation to support the full year impact of the 2024/25 pay award.

Information on any funding to support policy regarding the supply teaching workforce

In August 2022 the former Minister for Education and Welsh Language agreed plans to reform pay, conditions and employment of supply teachers, to deliver the commitments set out under the Programme for Government and Co-operation Agreement. As part of the reforms a revised supply agency framework has been procured and the contracts started in September 2023. Also, a new booking

platform was procured to develop a supply pool for Wales with costs estimated at between £0.5m and £1.05m per financial year.

In May 2024 a summit was held to discuss the position on the supply pool and jointly develop a plan for next steps. The Welsh Government, WLGA, education unions and a representative sample of local authorities attended. Costs for the 2025-26 financial year will depend on the conclusion of the continuing discussions on the way forward. There is no specific budget provision within the Education MEG and therefore any costs moving forward would place an additional commitment on the Teacher Development and Support BEL, in line with 2024-25.

Curriculum reform

Information on funding to support the implementation of the Curriculum for Wales–

Implementation of the Curriculum for Wales, including our emphasis on supporting learner progression and school cluster working, continues to be prioritised in our investment in schools and settings. As signalled in the last Curriculum Annual Report (4 July 2024) funding to schools to support their curriculum implementation in 2024-25 reduced by some £3m (from £22m) in line with planned implementation cost reductions as the curriculum continues to roll-out across schools and settings.

However, we recognise the ongoing pressure on school budgets and how essential practitioner engagement and school to school working is to successful curriculum implementation, and school improvement more widely. We are, therefore, maintaining school funding for curriculum reform at 2024-25 levels at £6m in 2025-26. This will enable schools to continue to engage in support programmes being made available both nationally and locally through the year ahead, including by Local Authorities through their LAEG funding.

Funding for curriculum support forms part of the Reform strand of the LAEG. Currently, this budget includes the transfer of £1.73m for curriculum support from the LAEG to the Curriculum and Assessment BEL. This is to take forward enhancement of national capacity for curriculum design, literacy, numeracy alongside other aspect of curriculum support where economies of scale are agreed (such as international languages, digital skills and RSE).

As noted in the school improvement and raising standards section, we are increasing funding to local authorities through the LAEG by £2.5m in 2025-26 to increase their capacity to support standards in literacy and numeracy under the Curriculum for Wales in their schools and settings. Taking both transfers together, the overall impact for local authorities on this element of the reform strand is a net increase of £0.77m.

Alongside this, officials are working in partnership with local authorities to review and agree approaches for curriculum support locally and nationally. Further detail on professional learning for the workforce is detailed in education workforce section.

Emotional and mental health of children and young people

Budget provision from the Education MEG in 2025-26 for the whole school system approach to emotional and mental health–

The indicative baseline budget for the whole school approach (WSA) is £13.6m for 2025-26 (£7m Health and Social Care (HSC) MEG and £6.6m Education MEG), which is in line with 2024-25.

As part of our grant amalgamation plans, funding to local authorities for the WSA of £4.75m in 2024-25 transferred to the new amalgamated LAEG (reform strand). This includes funding allocated to local authorities of £3.250m for school based counselling, £1.1m for provision (training and interventions) and £350k for PRU provision.

Funding supports a range of activity in line with the requirements of the statutory WSA Framework guidance published in 2021. Mental Health in general and specific commitments around supporting school-based counselling are Programme for Government commitments. The remaining funding within the Whole School Approach to Wellbeing BEL (£1.85m) will support a range of activity and work such as the development of resources and research and evaluation.

Details of funding from the Health and Social Care MEG to complement work in schools on this area–

Funding of £7m is being maintained for the WSA within the HSC MEG for 2025-26, recognising the cross-cutting nature of this work and emphasising our commitment to progressing this agenda. Taken together with the funding in the Education MEG, funding will ensure we are able to support wellbeing needs, from building resilience to more targeted interventions for learners to ensure their needs can be met outside of specialist services, bringing savings and efficiencies for those services.

Information on any budget provision to support the emotional and mental health of young people in post-16 education–

In 2024-25 Medr has provided £8m to support mental health and wellbeing in higher and further education, continuing allocations made by HEFCW and the Welsh Government. We expect Medr to build upon these investments, with an additional £2m in their grant allocation for 2025-26 to enable further investment in mental health and wellbeing services, particularly in increasing and broadening

suicide prevention and self-harm activity, and in expanding the HE-FE student mental health liaison service (MHULS).

Budget provision for the action plan and wider response to tackle peer on peer sexual harassment among learners–

For 2025-26 £0.15m will be made available to support our ongoing response to the CYPE Committee's inquiry into peer on peer sexual harassment, and support implementation of the peer-on-peer action plan, which was published in January 2024. The action plan focuses on primary and secondary education settings (maintained and independent) and on FEIs. Work aligns with the VAWDASV National Strategy and the Blueprint approach to delivery.

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–

In 2024-25 we originally invested £6.5m in supporting the work of Family Engagement Officers (FEOs), delivered as part of our Community Focussed Schools Programme. With the announcement of additional in-year funding of £1.5m for FEOs, we are also providing an additional £3m in 2025-26 to support and retain FEOs to provide greater capacity to continue this work to specifically tackle poor attendance at school. We are also providing an additional £1m in 2025-26 to enhance Community Focused Schools and to support collaboration and professional learning across Wales. This funding will be allocated through the reform strand of the LAEG.

Taken together with funding for enrichment activities and SHEP, this provides an extra £8.8m across this year and next to improve engagement and attendance.

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 funding in the Health and Social Care MEG such as for Healthy Weight[Healthy Wales–

The provision of support to schools and communities for physical activity is largely funded by local authorities, through the Local Government settlement. Public Health officials working on Healthy Weight Healthy Wales are, through existing programmes, exploring options for supporting the provision of physical activity.

Regarding the Education MEG, schools need support to develop curriculum arrangements that help learners be healthy and well and, in turn, ready to learn. This is a priority for funding under the new Curriculum for Wales grant support

programme, funded via the Curriculum and Assessment BEL. Awards will be announced in the Spring.

New schools funded through the SCfL Programme provide new sports facilities as an integral part of each new school project, with improvements also being incorporated through refurbishment projects. Community Focused Schools is a key Programme for Government commitment and £20m of capital will be invested in 2025-26 to support works that open up education facilities and provide community use areas, supporting physical activity for young people and their families outside the school day (see Community Focused Schools section for further detail).

Support for Minority Ethnic and Gypsy, Roma and Traveller learners

Details of funding to support the education of Minority Ethnic and Gypsy/Roma and Traveller learners in 2023-24 and how this is being distributed as part of the LAEG–

The funding to support Minority Ethnic and Gypsy, Roma and Traveller (GRT) learners within the equity strand of the LAEG is being maintained at £11m for 2025-26. Since 2021, the most recent PLASC data is used to determine the allocations to each local authority, to reflect the need according to demographic. The formula is based on numbers of children and young people with English as an Additional Language (EAL) (excluding GRT), plus numbers of GRT.

Following the transitional arrangements put in place to mitigate the change of formula for 2023-24, the MEGRT Working Group met on 30 January 2024 to consider the grant distribution formula for 2024-25. The Group considered 3 options to take funding forward in a way that best targeted funding to support learners.

Options were presented to the then Minister for Education and Welsh Language in February 2024, who agreed to the option that for 2024-25 and going forward the MEGRT grant allocation formula uses 100% PLASC data aggregated over the preceding 3 years. Taking forward these arrangements reduces funding complexities within the education system and ensures that resource is responsive to population changes, whilst supporting longer term planning by avoiding sudden drops in funding allocations

Additional Learning Needs

An updated assessment of the pressures facing local authorities/schools/and colleges in delivering current SEN/ALN provision/the impact of additional funding

in previous years and whether further additional funding will be maintained provided in 979293–

Information on funding provision for the implementation of the 9785 Act[including an updated assessment of whether the ALN reforms are proving to be cost-neutral–

Additional funding of £14.3m is being provided in 2025-26 through the Education MEG for delivery of ALN reform, this includes £10m via the reform strand of the LAEG to improve national consistency and sustainable delivery of provision for children and young people with ALN, £2m through the ALN BEL to improve national consistency and the upskilling of the workforce through national professional learning and £2.3m through the Post-16 Specialist Placements BEL to support learners in independent specialist post-16 placements. In addition, the increase to the Local Government revenue settlement also recognises the pressures on local authorities to deliver upon the statutory responsibility for ALN. An additional non-recurrent ringfenced allocation from HMT of £3.7m is also allocated to the Post-16 Specialist Placements BEL, as the Welsh Government cannot reclaim VAT on independent specialist post-16 placements which is being introduced from 1 January 2025.

This brings total investment on ALN reform to nearly £37.6m (through the ALN and Education Reform (LAEG) BELs), and £19.9m to support post-16 specialist placements in 2025-26.

There is an increase in demand and costs of ALN provision across Wales. The Budgeted expenditure on Special Educational Needs (SEN) and Additional Learning Needs (ALN) provision published in June 2024, reported total expenditure on ALN provision in schools by local authorities is budgeted to be £42m higher in 2024-25 compared to the previous year. Implementation costs to move learners from the SEN to the ALN system have been recognised through the Education budget and increased funding allocated to local authorities and education settings to support these costs.

Information on how funding for ALN provision is featuring in the review of local authority mainstream school funding–

The review of local authority mainstream school funding formulae across Wales will identify the total funding that each local authority delegates to schools to meet the needs of pupils with ALN and the different distribution methods used. The review will enable us to consider how the system can be improved to make a fairer funding system, to enable more transparent, comparable and consistent funding across Welsh schools.

As outlined under the Funding for School Budgets section, phase 1 of the analysis has recently concluded and the findings are being considered. Phase 2 of the funding review includes a programme of work aimed at supporting and improving the school funding system, including the funding of ALN provision within mainstream schools.

The latest position on funding for the training of educational psychologists in Wales and any grant funding arrangement with higher education institutions–

We continue to fund training for new educational psychologists. We have agreed to provide an updated grant of over £4.2m to Cardiff University across six financial years from 2025-26 to secure Wales's only Doctorate in Educational Psychology. Trainees are required to commit to spending the first two years of their career working for local authorities in Wales.

Estyn

Details of Estyn's core budget allocation for 2025-26 and which MEG this is located in/as well as the rationale for this–

The total budget allocation for Estyn, which is now located in the Education MEG following the Cabinet changes announced in September, stands at £16.993m for 2025-26, including fiscal resource of £16.467m, non-fiscal resource of £0.276m and capital of £0.25m. This represents an increase on fiscal resource of £0.406m compared to the 2025-26 revised baseline, to provide support for the next round of public sector pay awards in 2025-26. We have also baselined into 2025-26 funding for public sector pay in 2024-25 totalling £0.168m.

Estyn's non-cash budget has increased by £0.076m in 2025-26, which reflects additional funding for the implementation of the accounting standards for leases (IFRS16). There have been no changes to Estyn's capital budget.

Details of any additional funding from the Education MEG for Estyn's role in education reforms–

As part of previous budget rounds, the Education MEG provided additional funding over the last three financial years to enable Estyn to carry out an increased rate of inspections to complete the previous cycle and to support the development of more regular inspection activity from September 2024 (£1.6m in 2022-23, rising to £4.5m in 2023-24 and £4.87m by 2024-25).

Whilst we have uplifted Estyn's budget to support inflationary pressures associated with pay, it has not been possible in this budget to fund any further increases in 2025-26 to support the new inspection cycle from September 2024. We will work with Estyn closely to manage these impacts.

Qualifications

Details of funding allocated to Qualifications Wales in 2025-26 and details of any additional funding for its work on qualifications reform in the context of the new Curriculum for Wales and vocational qualification reforms–

The total budget allocation for Qualifications Wales stands at £10.986m for 2025-26, consisting of £10.391m on fiscal resource, £0.345m on non-fiscal resource and £0.250m on capital. This represents an increase on fiscal resource of £0.235m compared to the 2025-26 revised baseline, to provide support for the next round of public sector pay awards in 2025-26. We have also baselined into 2025-26 funding for public sector pay and increased pension costs in 2024-25 totalling £0.149m.

Qualifications Wales' non-cash budget has increased by £0.095m in 2025-26, which reflects additional funding for the implementation of the accounting standards for leases (IFRS16). There have been no changes to the capital budget which is being maintained at the same level as 2024-25.

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–

The Cymraeg 2050 Work Programme for 2021-26, set out our plan for this Senedd term. The education sector has an important role to play in meeting both high level Cymraeg 2050 targets: doubling daily language use and reaching a million Welsh speakers by 2050. The Welsh in Education BEL, along with other BELs across the MEG, continue to contribute to our work of reaching those targets within the education sector.

The Welsh in Education BEL stands at £6.537m for 2025-26 and continues to provide support for Adnodd to oversee the commissioning and development of educational resources, accessible in both Welsh and English simultaneously. It also provides support to Mudiad Meithrin to increase Welsh-medium childcare provision as an access point into Welsh-medium education through the Sefydlu a Symud/Set up and succeed (SAS) projects.

The Cymraeg 2050 strand of the LAEG which stands at £8.6m for 2025-26, will continue support for Cymraeg 2050 and is crucial to delivery of the forthcoming Welsh Language and Education (Wales) Bill, which includes funding for professional learning, Welsh in Education Grant, immersion and Siarter Iaith.

Further detail on support for Welsh-medium and Welsh language professional learning for practitioners is set out in the Education Workforce section.

The next phase of the Sustainable Communities for Learning Programme is designed to go hand in hand with the delivery of the 10-year Welsh in Education Strategic Plans (WESPs) and therefore local authority plans for the 9-year Rolling Programme capital investment plans reflect the requirements and targets of the WESPs. This builds on the £128m of Welsh-medium capital funding already approved to date to increase Welsh-medium education provision across Wales.

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, as of the 8th Supplementary Budget 2024-25]

Whilst the Cymraeg 2050 Division leads on the implementation of the Welsh language strategy, *Cymraeg 2050: A million Welsh speakers*, the activities are implemented in partnership with officials across government and with external stakeholders.

The Cabinet Secretary for Finance and Welsh Language is responsible for implementing *Cymraeg 2050*, with the Welsh language being mainstreamed across multiple portfolio areas, including Education. Every Cabinet Secretary and Minister has an important role to play to support the delivery of *Cymraeg 2050*.

Whether there is specific ring-fenced funding for implementing the Welsh Language and Education (Wales) Bill or if this will be met within existing Welsh Language and Welsh in Education BELs

There is no specific ring-fenced funding for implementing the Welsh Language and Education (Wales) Bill, with costs being met from existing BELs within the Education and the Central Services and Administration MEGs.

A Regulatory Impact Assessment (RIA) detailing the costs and benefits arising from the provisions of the Bill was laid before the Senedd upon the introduction of the Bill on 15 July 2024. This set out total costs associated with the legislation of £103m over the 10 year appraisal period from 2025-26, which includes costs for the Welsh Government, local authorities, schools, Estyn and the National Institute for Learning Welsh, which will be established by the Bill.

Information on funding allocated for enhancing the Welsh in education workforce

Funding of £8.72m in 2025-26 is available within the Teacher Development and Support BEL to support the implementation of our 10-year Welsh in Education Workforce Plan.

Approximately £3.8m will be prioritised to support the aims of the plan and will be mainly targeted at increasing the number of Welsh-medium teachers, including the continuation of the primary to secondary conversion programme, the third year of the teacher retention bursary, grants to schools to develop innovative

solutions to addressing teacher shortages and funding to support the viability of Welsh A Level provision in schools and FE Colleges.

The Coleg Cymraeg Cenedlaethol will continue to allocate £0.150m from their grant (Welsh Language BEL) in 2025-26 to continue to deliver the Addysgu'r Dyfodol project and to develop the Cadw Cyswllt network.

We have maintained the Iaith Athrawon Yfory incentive of £5,000 for each student who is preparing to teach secondary subjects through the medium of Welsh (see Education Workforce section).

Professional learning is a key feature of our approach to strengthening Welsh-medium teaching capacity and supporting practitioners to develop their Welsh language skills in line with the Professional Standards for Teaching and Leadership. We are working with our partners to ensure that practitioners are identified and supported to engage with professional learning to improve the teaching of Welsh in English-medium schools and to support all schools to move along a continuum.

Approximately £3.8m will be allocated to the Sabbatical Scheme to deliver intensive Welsh language and language teaching methodology professional learning for practitioners. Courses are available on a range of levels for teaching assistants and teachers.

Funding allocated to the National Centre for Learning Welsh (via the Welsh Language BEL in the Central Services and Administration MEG) also delivers access to free Welsh language lessons to all education practitioners. During 2025-26 the Centre will continue to develop new bespoke provision to meet the needs of the sector. For example, a pilot course for secondary teachers in English-medium schools with some Welsh will be developed to be delivered flexibly and a short on-line confidence / 'gloywi' course for those teaching in a range of settings. £1.1m will be allocated from the Teacher Development and Support BEL in 2025-26 to support this work. This is an additional £0.5m in 2025-26 and is funded through the transfer out from the Cymraeg 2050 strand of the LAEG.

A further £5.9m will be allocated to local authorities as part of the Cymraeg 2050 strand of the LAEG to support the delivery of local authority Welsh in Education Strategic Plans and the ambitions of the Welsh Language and Education (Wales) Bill. This includes the £1.4m for professional learning (outlined under the Education Workforce section) and £4.5m for the Welsh in Education Grant (WEG), which was re-established in 2023-24 following discussions with local authorities.

Early years education and childcare

Whether the funding in the LAEG to ensure harmonisation of funding rates of early childhood education in non-maintained settings with the Childcare Offer is continuing in 2025-26

Nursery education provision forms part of the Childcare Offer (the Offer). From January 2021 additional funds were made available to local authorities to increase funding to non-maintained nursery settings which deliver nursery education, to help align with our funding rate for childcare within the Childcare Offer. To ensure equity across Wales we applied a standard formula to the funding. This support will continue to be provided in 2025-26 and £5.268m remains within the School Standards element of the LAEG.

Details of any other funding from the Education MEG to support the non-maintained sector's delivery of early childhood 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

To support the provision of nursery education in childcare settings, the Welsh Government continues to work closely with national childcare umbrella organisations – Early Years Wales, Mudiad Meithrin, National Day Nurseries Association and PACEY Cymru. In 2024-25 we provided £0.375m to enhance the work of those organisations in supporting our youngest learners. We recognise the importance of this work and associated funding is continuing in 2025-26 in support of Curriculum for Wales implementation. Particularly ensuring we continue to embed foundation learning pedagogy and practices to improve provision.

Funding within the School Standards element of the LAEG also enables support to settings within local authorities, primarily via Early Years Advisory Teachers.

Early Childhood Play, Learning and Care (ECPLC) supports our wider early years policies and ambitions in Wales. ECPLC is primarily concerned with promoting partnerships and join up between schools and settings as well as parents/carers, for the benefit of the child and their families.

Youth work

Details of how the 2025-26 Education MEG supports statutory and voluntary youth services and budget provision for meeting the Programme for Government commitments in respect of strengthening youth services

A total of £15.077m will be allocated in 2025-26 to support statutory and voluntary youth services and activities to support our Programme for Government commitments in respect of strengthening youth services. In line with this financial

year, this budget includes, subject to agreement by the Cabinet Secretary for Housing and Local Government, a transfer of £3.7m to support the early intervention and prevention of homelessness from the Housing and Local Government MEG, which is to be actioned in a supplementary budget for 2025-26. This will provide funding to local authorities via the Youth Support Grant, to voluntary organisations via the Strategic Voluntary Youth Work Organisation Grant, as well as a range of other activities to continue our work to develop and take forward the Interim Youth Work Board's recommendations aimed at achieving a sustainable delivery model for youth work in Wales.

Details of how the 2025-26 Education MEG supports the Youth Work Strategy for Wales and the work of the Implementation Board–

The budget will continue to support the high-level vision set out in the Youth Work Strategy for Wales as well as the work of the Youth Work Strategy Implementation Board who were appointed in October 2022. This includes activities to take forward specific recommendations made by the Interim Youth Work Board as well as continued engagement with the youth work sector, stakeholders and young people to inform this work–

Offender learning

Information on budget provision in 2025-26 and any changes to how this will be spent compared to previous years–

The Welsh Government funds (from monies provided to the Welsh Ministers specifically for this purpose by the UK Government) the learning and skills provision and prison libraries in Welsh prisons through a joint Memorandum of Understanding (MOU) with His Majesty's Prison and Probation Service (HMPPS). Officials are currently working on the next MOU with HMPPS, which will cover the period 2025-2035.

A budget of £7.328m is allocated for offender learning in 2025-26 with a further transfer of £3.738m for HMP/YOI Parc expected as part of a supplementary budget in-year during 2025-26, which is in line with funding for 2024-25. Of this funding:

- £3.328m is allocated to cover the costs of learning and skills provision in public sector South Wales prisons (HMP Usk/Prescoed, Cardiff and Swansea);
- £4m is allocated to cover the costs of learning and skills provision in HMP Berwyn in North Wales; and
- £3.738m is allocated towards the learning and skills provision in HMP/YOI Parc in South Wales.

Further education, sixth forms and adult community learning

Details of the complete 2023/24 allocations to further education colleges[to include the amounts of all components of the allocation ,ie–full-time[part-time[part-time allowance[deprivation[sparsity and Welsh-medium allowances[maintenance allowance and the Adult Learning Wales adjustment–

Details of any hypothecated funding to further education institutions or Sixth Forms beyond their usual core grants–

Details of any funding provided in the 2023/24 budget for achieving pay parity and/or to meet any pay award to further education institutions and Sixth Forms[including an explanation as to the sufficiency of the funding to meet in full any agreed pay award –pay equivalency over the period of this budget–

The allocation for Adult Community Learning–

The complete 2023/24 and 2024/25 programme values used in the calculation of FE and Sixth Form funding–

We are allocating an additional £29.213m to Medr in 2025-26 to support the following:

- Anticipated increased participation in post-16 education in 2025-26.
- Expansion of the Junior Apprenticeships programme.
- Further development of wellbeing and mental health support in further and higher education to give learners the best possible support to remain in education.
- Continuation of pay parity between schools and colleges, to maintain the highest standards and teaching quality wherever learners undertake their post-16 education.

Full detail on allocations to higher education, further education colleges, apprenticeship providers, and local authorities for sixth-forms and adult community learning will be provided by Medr, which has taken over responsibility for these allocations. Medr will make decisions on these allocations in the coming months by considering its overall budget, the needs of the different sectors it funds, its statutory duties and strategic aims, and ministers' stated priorities.

We expect Medr to plan for the anticipated costs of next year's pay settlement in the FE and schools sector within the uplift provided.

Programme values for academic year 2023/24 are available on the Welsh Government [website](#). Programme values for academic year 2024/25 are available on the Medr [website](#).

We understand that the creation of Medr means that important details regarding the Education budget will require separate scrutiny of its funding decisions. Medr will set out its indicative funding allocations in the coming months and will be open to Committee scrutiny regarding those decisions.

Higher education, and post-16 student financial support

Details of the Commission for Tertiary Education and Research, Medr«allocation[including details of any hypothecated funding[or funding which is intended for speciĀc activities including mental health and student well-being–

Details of any 979293 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–

Medr will be made an additional has been allocated a capital budget allocation of 77-2m to cover its organisational capital requirements–

The total revenue budget for Medr in 2025-26 stands at £804.681m, which includes the uplift of £29.213m referenced in the section above. The budget reflects the transfer over to Medr of £757.3m from BELs within the MEG: Post-16 Provision (CTER), Tertiary Education Policy and Implementation (was CTER), and HEFCW Programme Expenditure (CTER).

We anticipate that Medr will continue to allocate approximately £5m from its Education grant for degree apprenticeships. This will be supplemented by an allocation of £4.111m from the apprenticeships budget (in the Economy, Energy and Planning MEG). Details of the apprenticeships allocation to Medr can be found in evidence provided by the Minister for Culture, Skills and Social Partnership to the Economy, Trade and Rural Affairs Committee.

We will continue to provide £13m to Medr from the Education Infrastructure BEL to fund capital commitments across HE and FE. FE providers continue to participate in the Sustainable Communities for Learning programme for major capital programmes.

Details of any contingencies –reserves –non?allocated funds within any of the 979293 tertiary education related BELs[including the BELs within the post?83 Learner Support Action- details of how the funds are –can be deployed- and details of any deployment of them during 979091 and 979192–

We announced our package of student support for the 2025/26 academic year on 4 December. Student maintenance and postgraduate support packages will increase by 1.6% in line with forecast CPI inflation. We continue to offer the most

generous student living costs support for full-time undergraduates in the UK, with the highest levels of non-repayable grant support provided to those most in need. The tuition fee limit for full-time undergraduate courses will increase to £9,535 from £9,250, in line with the maximum fee in England.

We have budgeted £283.3m for student support grants. This accounts for our revised modelling of expected grant outlay, including the planned increase in income thresholds for EMA (see Cost of living section). The Student Support Grants BEL is demand led, which means that they are difficult to forecast and will fluctuate according to demographics and uptake of higher and further education.

Other post-16 education provision

Details of Personal Learning Account funding–

Allocations for Personal Learning Accounts will be determined by Medr as part of their overall allocations for part-time further education.

Details of the Welsh in Education budget including any allocation for the Coleg Cenedlaethol–

The draft budget includes an allocation of £10.382m for the Coleg Cymraeg Cenedlaethol in 2025-26. This budget is now under the remit of the Cabinet Secretary for Finance and Welsh Language and funding is within the Welsh Language BEL of the Central Services and Administration MEG, following Cabinet changes earlier this year. This is an increase of £0.494m on 2024-25 and is being funded through the increase to the Welsh Language BEL for 2025-26. This additional funding will allow the Coleg to re-start the work of extending provision by expanding its programme of development grants for further education colleges and apprenticeship providers.

Details of funding for the International Learning Exchange Programme, Taith«–

The International Learning Exchange Programme budget for 2025-26 is being maintained at the same level as 2024-25, with a total budget of £6.501m.

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–

The Young Person's Guarantee (YPG) provides an umbrella structure that sits above Welsh Government funded programmes for young people, aiming to create a straightforward support journey for young people regardless of circumstances and background.

Funding to contribute to the delivery of the YPG in 2025-26 is across both the Education, and the Economy, Energy and Planning MEGs (c£1bn), including the significant budget allocated to Medr. It should also be noted some programmes are demand led, available to all-ages and some are funded over academic years rather than financial years.

A cross-Welsh Government official level Programme Board meets to scrutinise the effective policy direction and allocation of resources - feeding upward to the Employability and Skills Plan Board, also escalating relevant matters to Ministers as appropriate. An external Stakeholder Advisory Group also forms part of the scrutiny and advice process, alongside a Young Person's Advisory Board.

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–

The second wave of investment (Band B) of the Sustainable Communities for Learning Programme commenced in April 2019 and included both capital and revenue grant funding streams with a commitment to invest £2.3bn (£1.8bn capital and £0.5bn revenue) which has delivered 129 projects.

Building on this investment, I recently approved new 9-year investment plans submitted by local authorities which identifies a further £4.5bn (at 2024) potential investment in new and refurbished schools across Wales along with £0.8bn in colleges.

Confirmation that Band A is now complete and the final expenditure and number of projects–

Band A is now complete with all 22 local authority areas and 10 colleges having benefitted from this major infrastructure investment programme. A total of £1.4bn was invested through Band A, with £0.72bn provided by the Welsh Government, which has supported the rebuild and refurbishment of 170 schools and colleges.

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 increase in the Programme's budget from 2022-23 has helped mitigate the impact of inflation, allowing ongoing projects to continue progressing. However, the medium to long-term effects of inflation have hindered the ambition to accelerate the delivery of new schools and colleges. With inflation remaining

moderately high, increased construction costs mean that the education estate in Wales is building and refurbishing fewer schools and colleges for the same level of funding.

The Programme delivers modern, fit for purpose, net zero carbon learning environments that are more energy efficient than the facilities they have replaced. This helps schools and colleges with their energy costs as well as reducing carbon emissions.

In support of the wider education estate in Wales, officials are in the final stages of an innovative Elemental Building Condition and Carbon Survey of every school and college. This will provide local authorities and further education institutions with a Net Zero Carbon Route Map for every school and college building. Implementation of the Route Map is intended to be integrated within school and college capital asset maintenance programmes. Over time, this will contribute towards more thermally efficient buildings with lower energy consumption and, therefore, lower utility costs for schools and colleges

The financial implications from the Welsh Government's carbon net zero policies and how this affects the 2025-26 draft Education MEG–

In response to the Welsh Government's commitment towards decarbonisation, all projects delivered through the Sustainable Communities for Learning Programme are required to be net zero carbon in operation as well as achieving a maximum value for embodied carbon brought about through materials and the construction process itself.

Experience gained through net zero carbon projects delivered to date identifies that around 12.5% on top of the construction cost is required to meet the Welsh Government's decarbonisation commitment.

In recognising the pressures faced by local authorities and further education institutions the Programme is meeting 100% of this 'extra-over' cost. This typically increases the Welsh Government contribution from 65% to 69%.

The proposed 8.1% capital increase in the 2025-26 draft budget will assist in mitigating the impact of implementation of next zero carbon standards across the Programme.

Capital funding for childcare

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 3 year olds–

The Childcare and Early Years Capital Programme has a draft budget allocation of £25m in 2025-26 and will continue to be funded from the Education MEG. The

Programme will continue to support both the Flying Start and the Childcare Offer and aims to improve and grow new and existing childcare provisions across Wales, with particular emphasis on strengthening Welsh medium provisions.

The budget will be split into two distinct funding streams: small grants funding and major capital funding. Small grants funding of £10m will be available for all CIW registered childcare and play providers. The small grants element will be used to support works and equipment up to the value of £20,000.

A budget allocation of £15m will be available for major capital projects for proposals larger than £20,000. This will support projects such as small refurbishment works through to the introduction of extensions and standalone buildings for childcare provision.

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—

Building on £60m investment for Community Focussed Schols over the last three years (2022-23 through to 2024-25), a further £20 million of capital funding has been allocated in the 2025-26 draft budget to continue supporting works that open up education facilities, benefitting the communities they serve.

3. Summary

The Education MEG Draft Budget for 2025-26 is presented to the Committee for consideration.

Lynne Neagle MS

Cabinet Secretary for Education

Vikki Howells MS

Minister for Further and Higher Education

4. Annexes

Annex A – Education MEG breakdown by Action and BEL for 2023-24, 2024-25 and 2025-26

Resource

Action	BEL Description	2023-24	2024-25			2025-26							
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
		£000s											
Curriculum	Curriculum & Assessment	35,410	14,512	14,492	15,008	14,512	10	14,522	0	1,730	7,500	0	23,752
Total Curriculum		35,410	14,512	14,492	15,008	14,512	10	14,522	0	1,730	7,500	0	23,752
Teaching and Leadership	Teacher Development and Support	72,488	30,128	30,363	31,258	30,128	17	30,145	0	4,089	0	0	34,234
	Teacher Development and Support - Non Cash	638	400	522	522	400	0	400	0	0	281	0	681
Total Teaching and Leadership		73,126	30,528	30,885	31,780	30,528	17	30,545	0	4,089	281	0	34,915
Pre-16 Education LA Support	Education Reform (LAEG)	0	58,956	58,956	58,956	58,956	0	58,956	0	-4,195	12,500	0	67,261
	School Standards (LAEG)	0	159,885	159,885	159,885	159,885	0	159,885	0	0	7,804	0	167,689
	Equity in Education (LAEG)	0	150,250	150,250	150,250	150,250	0	150,250	0	0	6,000	0	156,250
	Cymraeg 2050 (LAEG)	0	9,700	9,880	9,880	9,700	0	9,700	0	-1,100	0	0	8,600
Total Pre-16 Education LA Support		0	378,791	378,971	378,971	378,791	0	378,791	0	-5,295	26,304	0	399,800
Qualifications	Qualifications Wales	9,890	10,007	9,971	9,971	10,007	149	10,156	0	0	235	0	10,391

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
	Qualifications Wales - Non Cash	349	250	345	345	250	0	250	0	0	95	0	345
Total Qualifications		10,239	10,257	10,316	10,316	10,257	149	10,406	0	0	330	0	10,736
Tertiary Education (renamed from Post-16 Education)	Post -16 Provision (CTER)	579,955	565,885	186,501	186,535	565,885	0	565,885	-50	-565,835	0	0	0
	International Learning Exchange Programme	10,714	6,500	6,500	6,500	6,500	1	6,501	0	0	0	0	6,501
	Tertiary Education Policy & Implementation	3,937	6,000	1,174	1,174	6,000	44	6,044	0	-3,907	1,500	0	3,637
	Tertiary Education Policy & Implementation - Non Cash	445	728	0	0	728	0	728	0	0		-728	0
	Medr Programme Expenditure	0	0	520,856	520,856	0	18,170	18,170	0	757,298	29,213	0	804,681
	Medr Programme Expenditure - Non Cash	0	0	728	728	0	0	0	0	0	437	0	437
Total Tertiary Education		595,051	579,113	715,759	715,793	579,113	18,215	597,328	-50	187,556	31,150	-728	815,256
Higher Education	HEFCW-Programme Expenditure (CTER)	203,477	187,556	69,000	69,000	187,556	0	187,556	0	-187,556	0	0	0
	HEFCW-Programme Expenditure - Non Cash	15	100	100	100	100	0	100	0	0	0	-100	0

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
Total Higher Education		203,492	187,656	69,100	69,100	187,656	0	187,656	0	-187,556	0	-100	0
Education Standards	School Improvement Grant	165,570	0	0	0	0	0	0	0	0	0	0	0
	Raising School Standards	-14	0	0	0	0	0	0	0	0	0	0	0
	School Standards Support	2,744	3,126	3,186	3,282	3,126	17	3,143	0	0	0	0	3,143
Total Education Standards		168,300	3,126	3,186	3,282	3,126	17	3,143	0	0	0	0	3,143
Tackling Barriers to Attainment	Tackling Barriers to Attainment	141,957	13,885	13,885	14,052	13,885	6	13,891	0	0	0	0	13,891
Total Tackling Barriers to Attainment		141,957	13,885	13,885	14,052	13,885	6	13,891	0	0	0	0	13,891
ICT & Information Management Systems	Supporting Digital Learning in Education	3,734	3,929	3,929	4,279	3,929	45	3,974	0	0	1,625	0	5,599
	Supporting Digital Learning in Education - Non Cash	2,487	2,488	2,488	2,488	2,488	0	2,488	0	0	2,242	0	4,730
Total ICT & Information Management Systems		6,221	6,417	6,417	6,767	6,417	45	6,462	0	0	3,867	0	10,329
Wellbeing of children and young people	Additional Learning Needs	24,315	3,591	2,621	2,621	3,591	6	3,597	0	0	2,000	0	5,597
	Food & Nutrition in Schools	72,042	101,415	101,415	101,505	101,415	0	101,415	0	0	1,000	0	102,415
	Post 16 Specialist Placements	15,921	13,881	13,881	16,881	13,881	4	13,885	0	0	6,000	0	19,885
	Whole School Approach to Wellbeing	3,950	1,850	1,850	1,850	1,850	6	1,856	0	0	0	0	1,856
	Vulnerable Groups	485	920	920	1,044	920	3	923	0	0	0	0	923

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
Total Wellbeing of children and young people		116,713	121,657	120,687	123,901	121,657	19	121,676	0	0	9,000	0	130,676
Post-16 learner support	Student Support Grants	298,584	282,362	282,362	283,972	282,362	0	282,362	0	0	900	0	283,262
	Student Support Administration	20,310	18,143	18,143	20,831	18,143	4	18,147	0	0	0	0	18,147
	Student Loans Resource Budget Provision - Non Cash	-229,112	514,341	276,772	276,772	514,341	-237,569	276,772	0	0	0	-15,647	261,125
Total Post-16 learner support		89,782	814,846	577,277	581,575	814,846	-237,565	577,281	0	0	900	-15,647	562,534
Pupil Engagement	Tackling Disaffection	5,009	3,705	3,681	3,283	3,705	3	3,708	0	0	0	0	3,708
	Community Schools	7,531	375	375	467	375	1	376	0	0	0	0	376
Total Pupil Engagement		12,540	4,080	4,056	3,750	4,080	4	4,084	0	0	0	0	4,084
Youth Engagement & Employment	Offender Learning	11,041	7,328	11,066	11,066	7,328	0	7,328	0	0	0	0	7,328
	Youth Engagement & Employment	13,843	11,376	15,076	15,076	11,376	1	11,377	0	0	0	0	11,377
Total Youth Engagement & Employment		24,884	18,704	26,142	26,142	18,704	1	18,705	0	0	0	0	18,705
Delivery Support	Education Communications	437	413	413	-63	413	0	413	0	0	0	0	413
	International Education Programme	525	524	524	524	524	0	524	0	-524	0	0	0
Total Delivery Support		962	937	937	461	937	0	937	0	-524	0	0	413
Welsh in Education	Welsh in Education	19,238	6,511	6,424	6,865	6,511	7	6,518	0	0	19	0	6,537
	Welsh in Education - Non Cash	4	0	0	0	0	0	0	0	0	0	0	0
Total Welsh in Education		19,242	6,511	6,424	6,865	6,511	7	6,518	0	0	19	0	6,537

		2023-24	2024-25			2025-26							
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	MEG to MEGs	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s													
Estate & IT Provision	Education Infrastructure	11,656	8,900	8,900	9,724	8,900	3	8,903	0	0	6,858	0	15,761
Total Estate & IT Provision		11,656	8,900	8,900	9,724	8,900	3	8,903	0	0	6,858	0	15,761
Estyn	Estyn - Programme Expenditure	16,175	15,893	15,817	15,849	15,893	168	16,061	0	0	406	0	16,467
	Estyn - Programme Expenditure - Non Cash	234	200	276	276	200	0	200	0	0	76	0	276
Total Estyn		16,409	16,093	16,093	16,125	16,093	168	16,261	0	0	482	0	16,743
Total Fiscal Resource		1,750,924	1,697,506	1,722,296	1,732,381	1,697,506	18,665	1,716,171	-50	0	83,560	0	1,799,681
Total Non-Fiscal Resource		-224,940	518,507	281,231	281,231	518,507	-237,569	280,938	0	0	3,131	-16,475	267,594
EDUCATION - TOTAL RESOURCE BUDGET		1,525,984	2,216,013	2,003,527	2,013,612	2,216,013	-218,904	1,997,109	-50	0	86,691	-16,475	2,067,275

Capital

Action	BEL Description	2023-24	2024-25			2025-26						
		Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
		£000s										
Estate & IT Provision	Education Infrastructure	322,992	343,400	341,827	349,107	343,400	0	343,400	0	27,600	0	371,000
Total Estate & IT Provision		322,992	343,400	341,827	349,107	343,400	0	343,400	0	27,600	0	371,000
Post-16 Learner Support	Student Support Administration	5,137	2,500	2,500	5,278	2,500	0	2,500	0	0	0	2,500
Total Post-16 learner support		5,137	2,500	2,500	5,278	2,500	0	2,500	0	0	0	2,500
Higher Education	HEFCW- Programme Expenditure	3,438	100	100	0	100	0	100	-100	0	0	0
Total Higher Education		3,438	100	100	0	100	0	100	-100	0	0	0
Tertiary Education	Medr - Programme Expenditure	0	0	1,200	1,200	0	0	0	100	400	0	500
	Post Compulsory Educ.& Training Reform	1,884	0	0	0	0	0	0	0	0	0	0
Total Tertiary Education		1,884	0	1,200	1,200	0	0	0	100	400	0	500
Qualifications	Qualifications Wales	249	250	250	250	250	0	250	0	0	0	250
Total Qualifications		249	250	250	250	250	0	250	0	0	0	250
Teaching and Leadership	Teacher Development and Support	205	0	0	0	0	0	0	0	0	0	0
Total Teaching and Leadership		205	0	0	0	0	0	0	0	0	0	0
Welsh in Education	Welsh in Education	13	0	0	0	0	0	0	0	0	0	0

		2023-24	2024-25			2025-26						
Action	BEL Description	Final Outturn	Final Budget (Sept 2024)	1st Supp Budget (Oct 2024)	Forecast Outturn (P6)	2024-25 Final Budget Restated Sept 2024	Baseline changes	Revised Baseline	Transfers Within MEG	Allocations from Reserves	Transfers to Reserves	Draft Budget (Dec 2024)
£000s												
Total Welsh in Education		13	0	0	0	0	0	0	0	0	0	0
Estyn	Estyn - Programme Expenditure	174	250	250	250	250	0	250	0	0	0	250
Total Estyn		174	250	250	250	250	0	250	0	0	0	250
EDUCATION - TOTAL GENERAL CAPITAL BUDGET		334,092	346,500	346,127	356,085	346,500	0	346,500	0	28,000	0	374,500
Estate & IT Provision	Education Infrastructure - FT	20,438	2,788	2,032	2,032	2,788	-2,788	0	0	0	0	0
	Education Infrastructure - Repayment	-672	-686	-1,686	-1,686	-686	686	0	0	0	-1,701	-1,701
Total Estate & IT Provision		19,766	2,102	346	346	2,102	-2,102	0	0	0	-1,701	-1,701
EDUCATION - TOTAL FT CAPITAL BUDGET		19,766	2,102	346	346	2,102	-2,102	0	0	0	-1,701	-1,701
EDUCATION - TOTAL CAPITAL BUDGET		353,858	348,602	346,473	356,431	348,602	-2,102	346,500	0	28,000	-1,701	372,799

Annually Managed Expenditure (AME)

Action	BEL Description	2023-24	2024-25			2025-26		
		Final Outturn	Final Budget (September 2024)	1st Supplementary Budget (Oct 2024)	Forecast Outturn (Period 6)	2024-25 Final Budget Restated September 2024	Changes	Draft Budget (Dec 2024)
		£000s						
Estate & IT Provision	Education Infrastructure - AME	-46	0	0	0	0	0	0
Total Estate & IT Provision		-46	0	0	0	0	0	0
Student Loans - AME	Student Loans - AME - Resource	-206,676	6,584	-105,079	-105,079	6,584	-107,426	-100,842
Total Post-16 learner support		-206,676	6,584	-105,079	-105,079	6,584	-107,426	-100,842
EDUCATION - TOTAL AME RESOURCE BUDGET		-206,722	6,584	-105,079	-105,079	6,584	-107,426	-100,842
Student Loans - AME	Student Loans - AME - Capital	1,349,500	1,285,227	1,519,101	1,503,817	1,285,227	67,936	1,353,163
Total Post-16 learner support		1,349,500	1,285,227	1,519,101	1,503,817	1,285,227	67,936	1,353,163
EDUCATION - TOTAL AME CAPITAL BUDGET		1,349,500	1,285,227	1,519,101	1,503,817	1,285,227	67,936	1,353,163
EDUCATION - TOTAL AME BUDGET		1,142,778	1,291,811	1,414,022	1,398,738	1,291,811	-39,490	1,252,321

Annex B – Education MEG revenue allocations for 2025-26

Education MEG: Revenue Budget Changes	BEL	2025-26 £000s
Recurrent Revenue Allocations from Reserves:		
Additional Allocations		
Attainment - Literacy & Numeracy	Curriculum & Assessment	7,500
	Education Reform (LAEG)	2,500
ALN implementation and delivery	Education Reform (LAEG)	10,000
	Additional Learning Needs	2,000
Post-16 Specialist Placements (further £3.7m non-recurrent)	Post 16 Specialist Placements	2,329
School Standards	School Standards (LAEG)	7,804
Attendance in schools - FEOs, CFS and enrichment & engagement, SHEP	Equity in Education (LAEG)	6,000
	Food & Nutrition in Schools	1,000
Attendance & Participation - Seren Programme and Tertiary Education participation & reform policy development including response to the Vocational Qualifications Review, Transitions to Employment Report, & Review of ITE in FE	Tertiary Education Policy & Implementation	1,500
Anticipated increased post-16 participation and 24/25 academic year funding cover	Medr Programme Expenditure	11,882
Attendance & Participation (Post-16) - additional Mental Health Support in FE & HE	Medr Programme Expenditure	2,000
Attendance & Participation (Post-16) - EMA (increase to household income threshold). (Total cost £2.9m with £2m funded within the BEL)	Student Support Grants	900
Hwb national platform	Supporting Digital Learning in Education	1,325
Total Additional Allocations		56,740
Public Sector Pay		
Qualifications Wales	Qualifications Wales	235
FEIs and School Sixth Forms (2024/25 pay award)	Medr Programme Expenditure	3,031
FEIs and School Sixth Forms	Medr Programme Expenditure	12,000
Medr	Medr Programme Expenditure	300
Hwb programme	Supporting Digital Learning in Education	300
Adnodd	Welsh in Education	19
Estyn	Estyn - Programme Expenditure	406
Total Pay Allocations		16,291
Total Recurrent Revenue Allocations from Reserves		73,031
Non-Recurrent Revenue Allocations from Reserves:		
Allocations		
Post 16 Specialist Placements (VAT impact)	Post 16 Specialist Placements	3,671
Mutual Investment Model (MIM)	Education Infrastructure	6,858
Total Non-Recurrent Revenue from Reserves		10,529
Total Revenue Transfers from Reserves		83,560

Annex C – 2024-25 LAEG allocations by strand and local authority

24-25 LAEG	School Standards £	Equity £	Reform £	Cymraeg 2050 £	Total £
Anglesey	3,450,216	2,247,447	1,472,670	347,736	7,518,069
Gwynedd	5,835,680	3,771,419	2,340,976	658,276	12,606,351
Conwy	5,101,403	4,317,484	2,146,468	387,618	11,952,973
Denbighshire	5,197,274	4,769,096	2,117,071	383,195	12,466,636
Flintshire	7,723,294	5,708,863	2,849,182	398,258	16,679,597
Wrexham	6,828,796	6,511,459	2,510,571	406,743	16,257,570
Powys	6,066,682	3,963,612	2,384,984	522,175	12,937,453
Ceredigion	3,268,324	2,449,170	1,426,363	380,544	7,524,401
Pembrokeshire	6,049,206	4,143,390	2,267,237	407,471	12,867,304
Carmarthenshire	9,325,701	7,586,147	3,396,786	639,342	20,947,977
Swansea	12,474,646	12,664,576	4,117,657	602,382	29,859,262
NPT	7,214,590	7,958,630	2,676,555	443,616	18,293,390
Bridgend	7,577,401	7,731,418	2,869,781	414,232	18,592,832
Vale of Glamorgan	7,704,223	5,528,892	2,765,822	401,531	16,400,468
RCT	12,781,493	11,917,097	4,515,816	693,934	29,908,340
Merthyr Tydfil	3,370,580	3,365,300	1,375,192	207,541	8,318,612
Caerphilly	9,495,777	9,986,049	3,331,377	516,312	23,329,515
Blaenau Gwent	3,567,851	3,379,571	1,409,291	187,959	8,544,672
Torfaen	4,839,216	4,901,377	1,875,440	301,651	11,917,684
Monmouthshire	3,715,910	2,566,379	1,583,987	286,551	8,152,827
Newport	9,226,708	9,412,191	3,156,381	497,407	22,292,687
Cardiff	19,070,043	25,379,051	6,366,387	797,540	51,613,020
Wales	159,885,014	150,258,616	58,955,996	9,882,017	378,981,643

Annex D – 2024-25 UPFSM allocations by local authority

Local Authority	UPFSM Grant Allocation 2024-25
Isle of Anglesey	£2,074,683
Gwynedd	£3,450,161
Conwy	£2,928,023
Denbighshire	£2,883,223
Flintshire	£4,679,504
Wrexham	£4,037,366
Powys	£3,851,231
Ceredigion	£1,985,083
Pembrokeshire	£3,848,031
Carmarthenshire	£5,945,114
Swansea	£5,938,995
Neath Port Talbot	£3,662,963
Bridgend	£4,344,989
The Vale of Glamorgan	£4,772,305
Rhondda Cynon Taf	£7,681,128
Merthyr Tydfil	£2,092,283
Caerphilly	£5,373,910
Blaenau Gwent	£1,897,615
Torfaen	£2,626,688
Monmouthshire	£2,700,288
Newport	£5,329,643
Cardiff	£10,652,352
Wales	£92,755,577