

Huw Lewis AC / AM
Y Gweinidog Addysg a Sgiliau
Minister for Education and Skills



Llywodraeth Cymru
Welsh Government

Cllr Alun Thomas OBE
Leader of the Council
Neath Port Talbot County Borough Council

CC
All Local Authority Leaders
WLGA Leader
WLGA Chief Executive

14 August 2014

I wrote on 22 July to inform you that we have been asked to make some in-year reductions across my portfolio to support Welsh Government's priorities.

As you are aware, Wales is facing an extremely difficult financial settlement from the UK Government with the money available for our public services reducing year on year. Indeed, as I'm sure you know, by 2015-16 the Welsh Government's total budget will be nearly £1.7 billion less than it was in 2010-11. This drop in funding has meant some very difficult decisions for the Welsh Government, made all the more challenging by the findings of the Nuffield Trust report on funding for the National Health Service in Wales. Indeed, in her recent Statement on the Supplementary Budget on 15 July, the Minister for Finance outlined that reprioritisation of this year and future years' budgets across the Welsh Government may be needed to meet the implications of the Nuffield Trust report.

As a result several departments, including my own, are being asked to implement in-year reductions and these will affect a number of spending areas within my portfolio.

There are no easy options for making these cuts and whilst efficiency savings will offset some of the burden, some will inevitably impact service delivery. Our commitment to protect schools funding at 1% above changes to the total Welsh budget remains firm, however in recent years the total funding available from the DfES budget has exceeded this commitment. As such, I have had to consider the capacity for reduction of some of the grants to schools as part of the re-prioritisation exercise and, as you are aware, I am seeking to make an overall reduction of up to £5m from these budgets.

My officials have already discussed the proposals for cuts with you and I have asked them to continue to work with you to identify the best way to undertake these in-year reductions so that you have greater flexibility to take decisions about the right approach for your organisations and schools. As part of these discussions, I have asked them to work with you to create the new, simplified grant system for 2015-16 that will lead to more flexibility around funding and ultimately better outcomes for our learners. The need for in-year savings has meant that it may be beneficial for you to advance these discussions into the current financial year to provide you with as much flexibility as is possible.

Whilst I know that these inevitable reductions are difficult for all, I want to assure you that my and the Welsh Government's priorities for education in Wales remain unchanged. It is only by working together that we will achieve the improvements we collectively seek in Welsh education whilst managing reducing budgets. I trust that I can rely on your continuing support to make these changes to the way we work and deliver the best for learners across Wales.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Huw Lewis', written in grey ink.

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