



REPORT TO THE JOINT COMMITTEE

20 May 2020

Report by: GwE Managing Director

Subject: Welsh Government response to Covid-19: Cuts to Regional Grants

1.0 Purpose of the Report

1.1 To update Joint Committee members on the situation regarding regional grants for the financial year 2020/21.

2.0 Background

2.1 As a result of the Welsh Government's response to Covid-19, GwE were asked (8 April 2020) to identify cost savings of 3% (£950,000) from the total indicative allocations of the Regional Consortia School Improvement Grant for the period 2020/2021. This includes the Education Improvement Grant.

2.2 A further email was received on the 6th of May 2020, detailing further savings that Ministers have agreed. In addition to the 3% (£4.2m) reduction overall, Ministers have also decided to make the following savings:

- £150,000 saving from Higher Level Teaching Assistants budget
 - £454,000 saving from budget for 'Core Consortia Support for Design & Development of the new Curriculum'
 - £5m reduction in Professional Learning budget.
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2.3 Welsh Government have also indicated the possibility of further support and funds required for the Covid-19 response. The Joint Committee will be kept updated as & when information and requests are received.

3.0 Considerations

3.1 In order to be able to facilitate the 3% cuts, a number of assumptions were made & are outlined below:

- Cost savings only apply to the financial year 2020/2021 (one off savings have been identified due to the consequences of schools being closed until at least Sept 2020 and therefore school to school working and professional learning will be limited during this period). These savings are not sustainable in future years
- Local Authority match funding will remain at 2019/2020 funding levels (If this were to be reduced / removed then there would be a further £2.5m of savings to be identified.
- PDG Grant and the PDG LAC element of the grants continue as previously published.
- All staff salaries will be funded
- There will be no additional cuts to the core budget for 2020/2021 from the Local Authorities

3.2 The additional cuts communicated on the 6th of May 2020 equate to £1,263,019* for the region.

3.3 The table below provides a summary of the cuts impacting on the region as of 12/05/20.

	Amount (£)
3% Cut	950,000
Additional Cut – communicated 06/05/20*	1,263,019
Total	2,213,019

**Indicative figures provided by GwE – breakdown per region not yet provided by WG*

3.4 In making the decisions regarding cuts, Ministers were expectant that the majority of savings can be made through natural savings resulting from schools being closed and professional learning and school to school working being limited, lessening their impact.

3.5 Realising these savings will however be challenging, particularly given the uncertainty that we all currently face. GwE & local authority officers are working closely to manage these savings & assess the impact.

4.0 Recommendation

4.1 To note the content of the report & be mindful of the impact of such cuts.

5.0 Financial Implications

5.1 GwE and local authority officers are working closely together to manage these savings & assess the impact of these cuts.

6.0 Equalities Impact

6.1 There are no new equalities implications arising from this report.

7.0 Personnel Implications

7.1 There are no new personnel implications arising from this report.

8.0 Consultation Undertaken

8.1 The GwE Management Board has been consulted & are working closely with the GwE team to manage these cuts.

OPINION OF THE STATUTORY OFFICERS

Monitoring Officer:

Nothing to add from the perspective of propriety

Statutory Finance Officer:

Finance officers will be working closely with GwE over the coming months to assist them to operate within the resources available to them, and to mitigate the impact of Welsh Government cuts to regional grants.