

Financial Implications of the Curriculum and Assessment (Wales) Bill

December 2020



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About the Committee

The Committee was established on 22 June 2016. Its remit can be found at:
www.senedd.wales/SeneddFinance

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1. Introduction

- 1.** The Curriculum and Assessment (Wales) Bill (the Bill) and Explanatory Memorandum (EM), was introduced by Kirsty Williams MS, Minister for Education (the Minister) on 6 July 2020.
- 2.** The initial EM was subsequently replaced on 1 September 2020. The Minister wrote to the Finance Committee on 1 September 2020 to notify it that a revised EM had been laid and to draw the Committee's attention to the changes.
- 3.** The purpose of the Bill is to provide for the establishment of a new and reformed legislative framework to support the implementation of the new curriculum and assessment arrangements as part of a wider programme of education reform in Wales.¹
- 4.** The EM goes onto say:

“The current legislative framework supporting the content and implementation of the curriculum, is based on a model developed more than 30 years ago and is no longer fit for purpose.² Whilst the legislation underpinning the curriculum arrangements has been updated and added to periodically since the 1980s, its essential features remain the same. These are out of step with recent and ongoing shifts in technology and the development of our society and economy.”²
- 5.** The Finance Committee (the Committee) took evidence on the financial implications of the Bill from the Minister on 21 September 2020.
- 6.** Policy scrutiny of the Bill was undertaken by the Children, Young People and Education Committee (CYPE).

¹ Explanatory Memorandum, page 9

² Explanatory Memorandum, page 11

2. Background to the Bill

7. The EM states that the current legislative framework supporting the content and implementation of the curriculum, is based on a model developed more than 30 years ago and is no longer fit for purpose. It continues:

“Whilst the legislation underpinning the curriculum arrangements has been updated and added to periodically since the 1980s, its essential features remain the same. These are out of step with recent and ongoing shifts in technology and the development of our society and economy.”³

8. The EM says that education reform in Wales had its catalyst in 2009 when Wales performed relatively poorly in the Organisation for Economic Cooperation and Development (OECD) Programme for International Student Assessment (PISA) survey. The performance of Welsh 15-year-olds was significantly below the OECD average, in particular for reading and mathematics.⁴

9. Professor Graham Donaldson’s independent review, Successful Futures: Independent Review of Curriculum and Assessment Arrangements (2015), and the subsequent Great Debate on Education (2015), were commissioned by the Welsh Government with a view to revisiting the fundamental purposes of education.⁵

10. The then Minister for Education and Skills, Huw Lewis, accepted Professor Donaldson’s report and the recommendations in full, stating in March 2015:

“...this is not some kind of tinkering exercise (...). [It] marks the doing away with the national curriculum of 1988 and the rewriting from the

³ Explanatory Memorandum, page 11

⁴ Explanatory Memorandum, page 13

⁵ Explanatory Memorandum, page 14

ground floor up of an entirely new curriculum with a different philosophy behind it.”⁶

11. In September 2017, the then Cabinet Secretary, Kirsty Williams, published Education in Wales: Our National Mission (“Our National Mission”), which set out how the school system will move forward over the period 2017-21 securing implementation of the new curriculum with a focus on leadership, professional learning, and excellence and equity within a self-improving system.⁷

12. The EM states that:

“The Curriculum for Wales framework gives every school in Wales the opportunity to design their own curriculum within a national approach that ensures a level of consistency. A new legislative structure is needed to support a purpose-led curriculum with learner progression at its heart. The Bill, along with supporting legislation and guidance will provide for a broad and balanced curriculum, fit for the 21st Century, which defines the ‘big ideas’ which learners should understand and engage with to prepare them for life. It will provide scope within a national framework for schools to shape a curriculum which connects meaningfully to the local community and the experiences of learners.”⁸

13. The Minister explained the Bill provides the legislative underpinning for the development of a wholesale reform of curriculum and assessment for Wales and would be the first time “in our nation's history that we will have created a national curriculum, designed by the people of Wales, for the children and young people of Wales”⁹. She continued:

“Its origins lie in a number of reports, namely an Organisation for Economic Co-operation and Development report into the state of Welsh education in 2014, and the 'Successful Futures' report by

⁶ Plenary, Record of Proceedings (RoP), 4 March 2015

⁷ <https://gov.wales/our-national-mission-0>

⁸ Explanatory Memorandum, page 12

⁹ Finance Committee, ROP, paragraph 6, 21 September 2020

Professor Graham Donaldson that highlighted some strategic challenges facing Welsh education in terms of outcomes for students, but also the shortcomings of the current curriculum that was originally designed in 1988. That was before the fall of the Berlin wall, before we all carried around, essentially, computers in our pockets, and, therefore, does not meet the needs of children and young people, or, indeed, employers, and I would suggest our society in the world that we expect our children and young people to move in. And, my goodness me, if you were not convinced of the need for reform prior to COVID-19, then I think COVID-19 has just demonstrated why we need to reform how our curriculum is currently organised.”¹⁰

14. The new Curriculum for Wales was published in January 2020 as provisional statutory guidance. Subject to the successful passage of the Bill, this will be reissued in the form of a Code setting out ‘What Matters’ under each area of learning and experience (AoLE) and other statutory guidance.

15. The Minister confirmed that the Welsh Government had “been working with the profession”, and that it had been a “process of co-construction” that led to the publication of ‘What Matters’ in January 2020¹¹. She added:

“Clearly, a curriculum is only as good as the professionals that are charged with its delivery, and therefore one of the key challenges for implementation is ensuring that our schools are ready and our teachers are ready with the necessary pedagogical skills to underpin this new approach to education.”¹²

Committee view

16. The Committee is surprised that the Welsh Government was required to replace the EM two months after the original was laid and following the commencement of Stage 1 scrutiny. While the changes made are not particularly

¹⁰ Finance Committee, ROP, paragraph 6, 21 September 2020

¹¹ Finance Committee, RoP, paragraph 8, 21 September 2020

¹² Finance Committee, RoP, paragraph 8, 21 September 2020

relevant to consideration of the financial aspects of the Bill, it is a worrying precedent to have set.

17. The Committee considers that EMs should not be replaced during Stage 1 scrutiny as this is unhelpful to Members and stakeholders. EMs should be fully formed on introduction and any supplementary information should be provided by way of letter with changes made to the EM at the appropriate time following Stage 2 proceedings.

18. However, the Committee accepts that the impact of the pandemic during this period may have created a more difficult environment for the preparation of the Bill and its accompanying documents. The Committee was grateful that the Minister identified the exact revisions made to the EM in her letter of 1 September 2020.

3. Costs and benefits - overview

19. The Regulatory Impact Assessment (RIA) assesses two options:

- Do nothing
- Legislate¹³

20. The Welsh Government estimates the costs of legislating are between £327.9 million and £619.9 million, over a ten-year period (2021-2022 to 2030-2031). The EM notes:

“The most significant costs to arise from the legislation will be the investment of time by practitioners in designing their new curriculum and assessment arrangements and the professional learning support to enable them to do this and change their practice to secure the four purposes for their learners.”¹⁴

21. The RIA identifies costs under three categories and attributes those costs to three organisations:

- Administrative costs - £175.4 million falling to the Welsh Government.
- Compliance costs - £146.0 million to £438.0 million, primarily to schools.
- Other costs - £6.5 million, falling to Qualifications Wales.¹⁵

Do nothing costs

22. The RIA notes that it is difficult to present a true ‘business as usual’ (BAU) cost (the cost of the current system and curriculum). One of the reasons for this is that work on developing and implementing the new curriculum has been underway since 2015. New curriculum activity has therefore become intertwined

¹³ Explanatory Memorandum, page 86 & 87

¹⁴ Explanatory Memorandum, page 59

¹⁵ Explanatory Memorandum, page 53 & 54

with business as usual. However, the RIA includes some estimates of BAU cost to provide context.¹⁶

23. Welsh Government BAU costs are estimated to be £334.2 million. This is assumed to be constant throughout the ten year appraisal period which is being used to ensure sufficient time for the new arrangements to become embedded.¹⁷

24. Total net education expenditure in Wales in 2018-19 was approximately £2.7 billion. The Welsh Government has been unable to separate BAU from the curriculum reform activities within that figure or to exclude expenditure that relates to 17 and 18-year olds.¹⁸

Benefits of Curriculum reform

25. The new curriculum is designed to address issues identified in Successful Futures and highlighted in the RIA, including:

- levels of achievement not as high as they should be (as evidenced by PISA and Estyn)
- an OECD review in 2014, which concluded the current assessment and evaluation arrangements are unsatisfactory in improving performance amongst a high proportion of Welsh young people
- lack of continuity within education and during transition between stages
- poor educational experience for young people at Key Stage 3

¹⁶ Explanatory Memorandum, page 57

¹⁷ Explanatory Memorandum, page 57

¹⁸ Explanatory Memorandum, page 86

- a curriculum devised in 1988 that does not reflect the world that young people are living in now and the implications of a changing world on what and how young people need to learn.¹⁹

26. However, in terms of the overall monetised benefits of the change the RIA notes:

“Due to their nature, it has not been possible to quantify the benefits anticipated from curriculum and assessment reform in any robust or meaningful way.”²⁰

27. When asked whether any other options had been considered, other than to introduce the new curriculum. The Minister said that a “middle-ground approach” was not acceptable and that “adding bits” to the current curriculum would exacerbate the problem.²¹ She said the needs of employers and society had changed significantly since the development of the national curriculum and that a “wholesale approach was appropriate”.²²

28. The Committee also asked whether the RIA was a by-product of decisions that had already been made, as opposed to being part of the planning process. The Minister replied that this was not the case.²³

29. The Minister highlighted that:

“since 1988 we've kept adding bits and bits and layers and layers on top of the requirements of the national curriculum, which had made it incoherent and incredibly unwieldy for professionals to engage with, and often has led to a tick-box exercise in terms of coverage of some subjects. So, incremental change wasn't going to deliver, I think, the step change that we needed for individual pupils and young people.”²⁴

¹⁹ Explanatory Memorandum, page 14

²⁰ Explanatory Memorandum, page 90

²¹ Finance Committee, RoP, paragraph 14 & 15, 21 September 2020

²² Finance Committee, RoP, paragraph 15, 21 September 2020

²³ Finance Committee, RoP, paragraph 18

²⁴ Finance Committee, RoP, paragraph 15, 21 September 2020

30. The RIA states that the Bill is expected to result in improved outcomes at the individual learner level as well as generating broader benefits to the economy in Wales and society in general. However, the RIA outlines that at this stage the evidence needed to quantify or monetise these benefits in a 'robust or meaningful way' is not available.²⁵

31. The Minister noted that "a curriculum on its own cannot change outcomes for students".²⁶ The Minister confirmed that curriculum reform is at the centre of a wider piece of education reform work that is outlined in 'Our national mission', which is about "raising standards for all students".²⁷

32. The Minister said the Bill moves away from a narrow set of indicators that demonstrate success in the education system to a "wider understanding of what 'good' looks like"²⁸ as well as developing a "new accountability regime".²⁹

33. She said that whilst the attainment gap is an important part of that, increasing levels of health and well-being for students would be "an important area of learning experience within the new curriculum".³⁰ The Minister raised the importance of recognising that "each of our children are individuals and that success looks different for each individual child."³¹ She went on to say that "too often, some behaviours in schools have been driven by an accountability regime that has unintended consequences. It's wanted to do the right thing but has led to unintended consequences".³²

34. The Minister's official added:

"...it's also about changing relationships and working together as a wider sector. So, a lot of it is not just about specific targets, but it's also

²⁵ Explanatory Memorandum, page 55

²⁶ Finance Committee, RoP, paragraph 19, 21 September 2020

²⁷ Finance Committee, RoP, paragraph 23, 21 September 2020

²⁸ Finance Committee, RoP, paragraph 23, 21 September 2020

²⁹ Finance Committee, RoP, paragraph 24, 21 September 2020

³⁰ Finance Committee, RoP, paragraph 23, 21 September 2020

³¹ Finance Committee, RoP, paragraph 23, 21 September 2020

³² Finance Committee, RoP, paragraph 24, 21 September 2020

about how the relationships develop across the sector, how we all deliver for learners, the relationship with parents and with communities as part of the new curriculum. So, specific targets, or specific indicators of achievement—whilst they are important, they are not the whole picture. I'm imagining that something we might come back to is the evaluability assessment, and that's really there and is set out quite clearly as part of the regulatory impact assessment to talk about how we're going to capture some of those wider benefits in a sort of broad and all-encompassing way and not really focus on the narrow targets that the Minister mentioned.”³³

Committee view

35. The Committee notes the Minister’s view that a wholesale approach is required to curriculum reform given the significant change in society and technology since the national curriculum was developed in 1988. However, the RIA is a key tool to critically assess a range of methods and to provide an evidence based approach to policy making decisions. The Committee is concerned that RIAs often seem to be a “by-product” of the decision making process, rather than driving it.

36. The cost implications of a Bill and its value for money must be key considerations for the Welsh Government when setting policy. These considerations should not be an after-thought and the RIA should bring together a meaningful options appraisal that is a transparent representation of the costs of the relevant policy. The Welsh Government must clearly demonstrate how the information outlined in the RIA has featured in its decision making process.

37. The Committee accepts that the Bill moves away from the narrow way of measuring success, with new accountability arrangements being designed and that a key part of this is about changing relationships across the sector. The

³³ Finance Committee, RoP, paragraph 28, 21 September 2020

Committee agrees that the identification of monetised benefits associated with this Bill would not be a suitable or meaningful approach.

38. However, the Committee believes that the RIA needs to clearly set out and link to demonstratable aspirations. The RIA needs to be clear about how the Welsh Government intends to identify success and failure around the objectives of Bill. The Committee agrees that success can look different for individual learners, but the Welsh Government must demonstrate how it intends to evaluate the change.

Conclusion 1. The Committee is broadly content with the financial implications of the Bill as set out in the Regulatory Impact Assessment.

Conclusion 2. The Committee is not convinced that the Regulatory Impact Assessment has been a driver in the policy-making process associated with the Bill.

Recommendation 1. The Committee recommends that the Welsh Government identifies how it will define and evaluate the success of the new Curriculum and outlines this in a revised Regulatory Impact Assessment.

4. The new requirements on schools and the challenges in assessing their costs

39. The RIA notes:

“As the curriculum will be decided at school level, with each school applying the curriculum requirements in their own contexts, culture and approaches, there is no single basis on which to assess the costs of the legislation.”³⁴

40. A significant proportion of the costs are estimated to fall to schools (between 45 per cent and 71 per cent of the total costs). Between £146 million and £438 million. Of those costs between £14.5 million and £43.6 million are direct transition costs and between £131.4 million and £394.4 million are ‘absorbed’ or opportunity transition costs.³⁵

Methodology and use of Innovation Schools

41. The Welsh Government provides information in the RIA on the methodology used to estimate the costs for schools. It details that this is based primarily on a survey of Innovation Schools. There are currently 15 Innovation Schools.³⁶ These schools are engaged with the proposals for the new curriculum and assessment arrangements and have received additional funding relating to this role.³⁷

42. The RIA notes that on this basis Innovation Schools are not representative of the wider school population. The RIA states:

“Our challenge in preparing this RIA was that, in order to provide a meaningful assessment of the possible costs, a school needed to

³⁴ Finance Committee, RoP, paragraph 61, 21 September 2020

³⁵ Explanatory Memorandum, pages 54, 111 & 112

³⁶ Up until late 2019 there were 16 Innovation schools. There were 1,480 schools operating in Wales in 2019-20 ([StatsWales](#)).

³⁷ Finance Committee, RoP, paragraph 61, 21 September 2020

understand the new framework and to have already invested time in understanding what it would mean in their context.”³⁸

43. The Minister recognised that it was a small number of schools used to inform the RIA. However, she explained that the 15 Innovation schools were “best placed to estimate potential resource requirements for schools” because they had been at the “forefront and the centre of the development of the curriculum to date”. However, she acknowledge that this represented a “small fraction of the school sector in Wales”.³⁹

44. The Minister added:

“...innovation schools morphed out of our pioneer schools. So, these are the schools that have the deepest understanding of the requirements of the new curriculum and have had most time to engage and think about the developments of the new curriculum. As you'll be aware, a wide range of responses were provided by the innovation schools, demonstrating uncertainty, to a large extent, about what would be required. So, we need to recognise that that remains. That's been sense-tested with other people in the sector, as to whether they represent a reasonable expectation for the implementation.”⁴⁰

45. The Minister highlighted that innovation schools were also asked to provide their feedback prior to the curriculum guidance being published. The Minister committed to undertaking further work to engage with a broader set of stakeholders around some of the cost associated with the Bill and to provide an update prior to Stage 2 proceeding.⁴¹

46. The uncertainty associated with the costs gathered by the Welsh Government has led to the RIA providing a +/-50 per cent range on the

³⁸ Explanatory Memorandum, page 61

³⁹ Finance Committee, RoP, paragraph 31, 21 September 2020

⁴⁰ Finance Committee, RoP, paragraph 31, 21 September 2020

⁴¹ Finance Committee, RoP, paragraph 32, 21 September 2020

estimated costs for schools. The RIA does suggest there are reasons to have confidence in the figures stating:

“what must be done to implement the legislation has been developed using a co-construction approach before the legislation has been brought before the Senedd”.⁴²

47. The Minister’s official added:

“we’re anticipating that, actually, the costs at the higher end really are at the higher end, and the 50 per cent is really quite a reasonable estimate for what it could look like.”⁴³

48. The Minister outlined support being provided for the sector in regard of these costs. The Welsh Government clarified that much of the costs in the RIA are associated with professional learning and development, and that in the last two years, the Welsh Government has “invested in record amounts of professional learning”.⁴⁴

49. The Minister said one of the practical challenges that has an impact on resources is the ability for schools and practitioners to support the transition. She continued:

“That is predominantly around releasing staff for professional learning opportunities, releasing school leadership teams to create the space to be able to think about curriculum design as well as developing implementation plans. So, we expect a great deal of the resources that we’re putting into the process to be able to allow that to happen, because we believe that’s where the greatest cost to schools will fall—creating that time, which usually involves, as I said, additional staff to allow staff to do other things.”⁴⁵

⁴² Finance Committee, RoP, paragraph 61, 21 September 2020

⁴³ Finance Committee, RoP, paragraph 37, 21 September 2020

⁴⁴ Finance Committee, RoP, paragraph 35, 21 September 2020

⁴⁵ Finance Committee, RoP, paragraph 75, 21 September 2020

50. In Audit Wales’s response to CYPE Committee’s consultation, it raised concerns whether there are enough supply teachers or learning supply workers available to meet the demand for cover related to the curriculum in addition to other demands. It was also concerned the pressure on budgets could “restrict schools’ ability to deliver the Welsh Government’s ambitions for the curriculum”.⁴⁶

51. The Minister’s official highlighted the work that had been undertaken to support the sector in delivering the new curriculum. She added:

“So not only the ‘Curriculum for Wales: designing your curriculum’ guidance, but we have I think it’s around 10 elements of new guidance that we’re proposing to consult on and publish over the course of the next year, co-constructed to a large degree with practitioners, both to upskill them and to share with them what we really mean by the new curriculum. So, we’re anticipating that, actually, the costs at the higher end really are at the higher end, and the 50 per cent is really quite a reasonable estimate for what it could look like.”⁴⁷

52. The Minister said that over the autumn term she would be working on a shared expectation document, to outline clearly the roles and responsibilities of each part of the education sector. She said it would need to be “co-constructed with the sector” which would help the Welsh Government to ensure it was supporting schools with the right level of resource.⁴⁸

53. On 13 October 2020, the Minister issued a written statement: Curriculum for Wales: the journey to 2022. It stated:

“Alongside the update of Our National Mission, I am also publishing ‘Curriculum for Wales: the journey to 2022’. This sets out shared expectations of what curriculum realisation means for practitioners,

⁴⁶ [Written Evidence, CAW205 Audit Wales](#)

⁴⁷ Finance Committee, RoP, paragraph 37, 21 September 2020

⁴⁸ Finance Committee, RoP, paragraph 35, 21 September 2020

schools and settings from 2022. It aims to help schools to prepare for designing and implementing their curriculum.

The document has been co-constructed with strategic partners including practitioners, regional consortia and Estyn, and is in direct response to the OECD review which recommended that Welsh Government provide the education system with a clear plan for next steps.”⁴⁹

Uncosted elements

54. The duties placed on Pupil Referral Units (PRUs) and Education Other Than At School (EOTAS) are different to those placed on schools. The RIA notes that the Welsh Government undertook a “small scale investigation” with the EOTAS sector and PRUs.⁵⁰ However, the transition and ongoing costs were not included in the RIA as they were not considered robust enough to aggregate to an all-Wales level.⁵¹

55. The Minister confirmed the Bill would provide a framework for learners in EOTAS, entitling them to have access to the new curriculum arrangements. She said a small-scale study of six local authorities was undertaken to establish an understanding of the potential impact of reform in the EOTAS sector. She continued:

“The authorities were selected to represent a range of sizes of authority, levels of rurality and the language of provision, and the authorities were spread from all regional consortia areas. It did identify a number of costs. All said that they were likely to appoint additional staff to ensure the statutory requirements for this sector would be delivered, and those are outlined in what we have presented in the RIA—... However, again, there is a degree of uncertainty.”⁵²

⁴⁹ Written Statement: [Curriculum for Wales: the journey to 2022](#), 13 October 2020

⁵⁰ Explanatory Memorandum, page 75

⁵¹ Explanatory Memorandum, page 133

⁵² Finance Committee, RoP, paragraph 81, 21 September 2020

56. However, the Minister said that given “the wide range of different learning needs in that sector” it was difficult to quantify costs because “it’s very much a needs-based approach” and therefore the costs were not included in the RIA.⁵³

57. The RIA also includes a description of the activity required in regard of the assessment arrangements for the new curriculum. The Assessment Advisory Group (AAG) involved key stakeholders that were engaged for this element of the Bill. Practitioners of the AAG were required to complete a Welsh Government questionnaire. Six responses were received, with respondents not necessarily answering all questions. As there was only one respondent from funded non-maintained schools, the Welsh Government did not include this information.⁵⁴

58. The RIA notes that with such a small, non-random, sample any conclusions or assumptions can only be seen as indicative. Due to these limitations the RIA notes:

“We do not consider it appropriate to attempt to quantify the financial impacts associated with the new assessment arrangements. The costs are therefore unknown.”⁵⁵

59. The RIA includes analysis of responses received to a ‘small scale investigation’ by the AAG. In relation to the new assessment arrangements, the Minister said:

“in all discussions of this Bill we’ve talked about the content, and we forget to talk about the assessment part of it, and it has to be an intrinsic part; it can’t be separate from teaching and learning in schools. And when developing your curriculum, the assessment arrangements should sit alongside that, so it’s not a separate process with costs associated with it.”⁵⁶

⁵³ Finance Committee, RoP, paragraph 83, 21 September 2020

⁵⁴ Explanatory Memorandum, page 72

⁵⁵ Explanatory Memorandum, page 75

⁵⁶ Finance Committee, RoP, paragraph 88, 21 September 2020

Welsh Government funding

60. The RIA notes that £126.8 million will be provided by the Welsh Government to schools for professional learning. The Minister confirmed that the funding allocated to schools is determined by a funding formula that takes into account the number of full-time equivalent teachers in a school setting, based on pupil level annual school census data that is submitted to the Welsh Government. She said the funding is then allocated via the regional consortia “with a directive to passport that directly to schools”.⁵⁷

61. However, the Minister confirmed that other elements of professional learning are accounted for in different ways in the RIA. She said the National Academy for Educational Leadership is funded via an annual grant⁵⁸. She continued:

“We fund regional consortia to enable them to provide professional learning opportunities, experiences and resources. We’ve also had the schools as learning organisations project—that is funded to allow schools to participate in that.

So, whilst the bulk of the majority is for professional learning that we believe is best directed to individual schools, because the headteacher and the senior management team in that school are best placed to understand the learning needs of the profession in that school, there are wider national elements as well to support that.”⁵⁹

Committee view

62. The Committee recognises that the financial costs are small compared to the impact of a new curriculum in a broader than merely financial way. Nonetheless, it is disappointing that more detailed work/assessment of the costs to schools across Wales was not undertaken as part of the Welsh Government assessment of the costs and impact of the proposals. The Committee welcomes

⁵⁷ Finance Committee, RoP, paragraph 99, 21 September 2020

⁵⁸ Finance Committee, RoP, paragraph 100, 21 September 2020

⁵⁹ Finance Committee, RoP, paragraphs 100 & 101, 21 September 2020

the Minister's commitment to do more work in this area prior to Stage 2. However, the Committee has previously been critical of the practice of introducing Bills where cost assessments are incomplete or with the intention of making substantial changes at a later stage. The Committee's opportunity to scrutinise the costs associated with legislation is at Stage 1 and therefore this information should be made available before the Senedd is asked to vote on a Financial Resolution committing resources to the Bill.

63. The methodology used in the RIA notes that the majority of costs associated with schools have been gathered through engagement with 15 Innovation Schools (around 1 per cent of schools in Wales) and not all of these responded to the enquiries made. The Minister has acknowledge that those schools are also not representative of the wider school population due to their status. The Committee therefore believes that this is clearly not an adequate evidence base to allow for confidence in these estimates within the RIA. Whilst acknowledging that the Minister intends to undertake further work in this area, the Committee considers more work needs to be undertaken to understand the impact of the legislation on other schools specifically. The Welsh Government must engage with schools beyond Innovation Schools on these costs to assure itself of its estimates.

64. The inclusion of a range is welcome, as this provides some insight into the uncertainty and risk associated with certain costs. However, the range included (+/-50 per cent) for schools is significant. While the Committee accepts that these are primarily related to opportunity costs, they still represent a significant uncertainty in regard of staff time commitment. Such a large range makes it difficult to interpret the figures and it is not clear on what basis this range was established. The Committee is keen to see further information as to how and why a 50 per cent range was chosen and the evidence that led to this assumption being used.

65. The Committee acknowledges the written statement issued by the Minister 'Curriculum for Wales: the journey to 2022' which sets out shared expectations of what curriculum realisation means for practitioners, schools and settings from 2022. The Committee also notes that the Minister is proposing to consult and publish around 10 elements of new guidance over the next year.

66. The Committee is grateful to the Welsh Government for providing the summary information it has provided in the RIA as well as summary tables. However, as a general point, it would be useful if these elements of RIAs could contain a uniform level of detail.

67. The Committee is disappointed that costs for EOTAS and assessment arrangements have not been included in the RIA. The Committee notes the Minister's statement that the assessment arrangements should not be a separate part of the Curriculum and therefore it is particularly surprising that more effort was not taken to include costs for this area in the RIA. The Committee believes further work should be undertaken to define and estimate the costs in these areas in consultation with stakeholders.

68. The Committee notes there are several different ways schools may receive funding as a consequence of this legislation. Funding from the Welsh Government is due to go through a teacher based formula to schools. The Committee believes that to aid transparency the Welsh Government should publish details of the funding formula as well as providing information on the other funding arrangements.

Conclusion 3. The Committee reserves the right to scrutinise and request further information from the Minister in regard of any subsequent changes to the costs of the Bill at later stages – albeit this is not a satisfactory replacement for being able to scrutinise these costs at Stage 1 of the Bill.

Conclusion 4. The Committee does not feel that the methodology used in the Regulatory Impact Assessment to estimate the costs associated with schools which had been gathered through engagement with 15 Innovation Schools as an adequate evidence base.

Recommendation 2. The Committee recommends that the Welsh Government undertakes further work to assess the costs to schools and engages with schools other than Innovation Schools regarding the costs included in the RIA. Information gathered should be represented in a revised Regulatory Impact Assessment.

Recommendation 3. The Committee recommends that the Welsh Government provide further information on the basis of its +/-50 per cent range to schools costs.

Recommendation 4. The Committee recommends that the Welsh Government undertakes further work to define and estimate the costs for 'Education Other Than At School' and assessment arrangements costs in consultation with stakeholders. This information should be provided in a revised Regulatory Impact Assessment.

Recommendation 5. The Committee recommends that the Welsh Government publishes details of the teacher based formula used to fund schools as well as providing the Committee with information on the other ways schools receive funding to aid transparency.

5. Sunk Costs

69. There are a number of costs relating to curriculum and assessment reform which have either already been incurred or which are expected to be incurred before the Bill receives Royal Assent. The RIA provides information on these “sunk costs”.⁶⁰

70. Sunk costs are identified from 2015-16 to 2020-21 and amount to over £100 million. The majority of these costs have fallen to the Welsh Government - £89.1 million (including provisional expenditure of £21.1 million in 2020-21).⁶¹

71. Sunk costs for other organisations, over the period 2015-16 to 2020-21, include:

- Regional Consortia - £16.7 million
- Estyn - £4.4 million
- Qualifications Wales - £3.4 million
- Careers Wales – £86,000

72. The RIA notes that this may not include all sunk costs. It says:

“We will provide the Senedd with additional information during Stage one scrutiny on the sunk costs of other organisations such as the Catholic Education Service, Church in Wales, ITE providers and Wales Association of Standing Advisory Councils for Religious Education (WASACRE) before incorporating the information into a revised RIA at the end of Stage two.”⁶²

73. The RIA also notes that any costs incurred by maintained schools and other maintained settings will have been funded through Welsh Government budgets and therefore these are not set out separately. However, in sections dealing with

⁶⁰ Explanatory Memorandum, page 78

⁶¹ Explanatory Memorandum, page 78

⁶² Explanatory Memorandum, page 86

the detailed costs to schools, information is provided on certain sunk costs, including:

- Sunk direct costs (2020-21): between £5.4 million and £16.1 million;
- Sunk opportunity costs (2020-21): between £40.7 million and £122.0 million.

74. Sunk costs in 2019-20 and 2020-21 of between £5.3 million and £6.2 million are also outlined in the section of the RIA detailing EOTAS costs.⁶³

75. The Minister confirmed that in preparing for the new curriculum over £100 million in sunk costs have been incurred since 2015. She said she would “argue that the investment in professional learning is never wasted”, and that they had already proven themselves to be useful⁶⁴. She continued:

“...the digital competence framework, for instance. That’s already, I believe, successful. We talked earlier about the need to transform the digital infrastructure in preparation for the new curriculum. Well, my goodness me, aren’t I glad that we’ve invested in Hwb, because I don’t know what we would have done during the pandemic if Hwb didn’t exist? We would have been absolutely sunk without the basis of that digital learning platform and the fact that all children have access to free Microsoft software, Google for Education software, Adobe software, and the platform has enabled teachers to keep in touch with children.”⁶⁵

76. In response to why sunk costs for maintained schools and EOTAS had been included in the RIA but did not appear in the aggregated sunk costs, the Minister said:

“[EOTAS] was collected through discrete pieces of work and the outputs from those pieces of work, both sunk costs and forward

⁶³ Explanatory Memorandum, page 131

⁶⁴ Finance Committee, RoP, paragraph 48, 21 September 2020

⁶⁵ Finance Committee, RoP, paragraph 49, 21 September 2020

looking assessments, have been reported...in a single place in the RIA. However, I agree that it would be sensible for all the information on sunk costs to be reported in the same part as we move forward.”⁶⁶

77. The Minister’s official confirmed that the sunk costs for maintained schools and EOTAS had been treated exactly the same as all of the other sunk costs, in that they are presented in the RIA for transparency purposes, but they’re not actually included in the costs of the Bill and therefore “haven’t been aggregated up to be included in those headline costs”.⁶⁷

78. The Minister agreed that moving forward it “would be sensible for all the information on sunk costs to be reported in the same part” of the RIA.⁶⁸

Committee view

79. The Committee notes the Minister’s view that in preparing for the new curriculum the sunk costs that have been incurred have provided investment in professional learning that has already proven valuable. The Minister cited the use of Hwb during the COVID-19 pandemic which allowed children and young people access to a free learning platform and enabled teachers to keep in contact with their students, and the Committee recognises the benefit.

80. The Committee is pleased that the Minister has agreed that information on all sunk costs in the Bill will be reported in the same part of the RIA and welcomes the inclusion of information relating to sunk costs in the RIA.

Recommendation 6. The Committee recommends that the Welsh Government details all sunk costs relating to the Bill in the same part of a revised Regulatory Impact Assessment.

⁶⁶ Finance Committee, RoP, paragraph 54, 21 September 2020

⁶⁷ Finance Committee, RoP, paragraph 56, 21 September 2020

⁶⁸ Finance Committee, RoP, paragraph 54, 21 September 2020

6. Impact of COVID-19

81. The RIA outlines some of the costs that have not been included and areas where work is yet to be undertaken. It notes “engagement with a number of key stakeholders such as the Welsh Local Government Association (WLGA), the Association of Directors of Education in Wales (ADEW) and Estyn had to be paused as they prioritised their response to the COVID-19 pandemic”.⁶⁹

82. The Welsh Government outline in the RIA that it intends to engage with those organisations at an “appropriate point”. Any additional information will be shared with the Senedd during Stage 1 scrutiny and incorporated into a revised RIA at the end of Stage 2.⁷⁰

83. Regarding the impact of COVID-19 on the proposed implementation period (starting in September 2022), the RIA also states:

“Despite the current uncertainty created by the COVID-19 pandemic, these timescales remain the best indication of how and when the curriculum reforms will be phased in.”⁷¹

84. The Minister said the impact of COVID-19 on education had “been significant”. She confirmed:

“...we were all ready to go with our implementation plan [correction: our shared expectations document] when we had to close schools for the purposes of statutory education. And we’re having to update that implementation plan [correction: that shared expectations document] in the light of COVID, because we don’t want to send it out to the sector pretending that COVID never happened because, clearly, schools are having to contend with COVID in the here and now.”⁷²

⁶⁹ Explanatory Memorandum, page 55

⁷⁰ Explanatory Memorandum, page 55

⁷¹ Explanatory Memorandum, page 59

⁷² Finance Committee, RoP, paragraph 41, 21 September 2020

85. In response to why so many important stakeholders had not been able to contribute to the RIA prior to the pandemic, the Minister clarified:

“COVID has had an impact and it has had an impact on the ability of some of our partners to be able to participate in this process to date, but you’ll be aware, for instance, that Estyn have confirmed that they expect to manage any additional costs within their core funding. Regional consortia have adapted practices in readiness for the new curriculum. Qualifications Wales have provided costs as to the impact on their functions, and those are outlined in the RIA. That predominantly arises out of undoubted need for change in qualifications as a result of the new curriculum reform. And we continue to look to see what other costs might fall on other bodies, whether they be the Catholic Education Service, for instance, which is very interested in this work, and whether there will be minor consequential costs associated with sixth forms or the further education sector, remembering that the Curriculum and Assessment (Wales) Bill is three to 16.”⁷³

86. The Minister confirmed that the implementation timelines for the new curriculum would be kept under review, adding:

“...we have to monitor very closely the ability of the sector to cope with everything that COVID-19 is throwing at it, and we’re throwing at it at the moment, and ensuring that there is still the time for schools to engage in the work that is necessary to stick to implementation dates, and we will keep that under review.”⁷⁴

87. At the CYPE Committee’s evidence session on 20 July 2020, with the WLGA, ADEW and Regional Consortia, representatives told the Committee that they would submit updated financial information to the Welsh Government in early

⁷³ Finance Committee, RoP, paragraph 42, 21 September 2020

⁷⁴ Finance Committee, RoP, paragraph 45, 21 September 2020

September 2020. This would include an assessment of the impact of COVID-19 costs.⁷⁵

88. On 20 November 2020, the Minister wrote to the Committee providing further information on the estimated costs in the RIA.

89. The letter stated that a number of key stakeholders were invited to submit additional evidence to inform the costs identified in the RIA. Welsh Government officials met with representatives from the further education sector in August 2020 who shared thoughts on the potential impact on the post-16 education system⁷⁶, including:

- financial implications for training the post-16 sector;
- the potential need for additional teaching hours in some subjects should certain areas of knowledge not be gained from the new compulsory curriculum; and
- the need to invest in Welsh language skills development in FE. for example, there may be further need for transition activities to be completed in order to ensure effective preparation onto post-16 courses for specific subjects.⁷⁷

90. The letter stated that:

“Colegau Cymru recognises these issues do not necessarily form part of the financial scope of the Bill which focuses on the compulsory curriculum but consider these are costs that will need to be factored in to make the new curriculum succeed in its aims.”⁷⁸

91. The letter goes onto say that the Welsh Government will continue to liaise with Colegau Cymru to ensure they are sufficiently prepared for the first tranche of learners in 2027, feeding into the Post-16 Professional Learning action plan and

⁷⁵ Children’s, Young People and Education Committee, RoP, paragraph 158, 20 July 2020

⁷⁶ Letter from the Minister for Education, 20 November 2020

⁷⁷ Letter from the Minister for Education, 20 November 2020

⁷⁸ Letter from the Minister for Education, 20 November 2020

the Professional Learning Framework for staff within the post-16 sector as appropriate. Financial implications will be met from budgets committed to the realisation of the new curriculum, building on the £124,000 allocated between 2018-19 and 2020-21 to FE to support the new curriculum.⁷⁹

92. The letter highlighted that work is ongoing to identify potential costs resulting as a change in qualifications to awarding bodies, and how these may impact on exam centres. It noted the current situation with exams caused by the pandemic “continues to make this exercise extremely challenging”. The letter noted that Qualifications Wales will be consulting further in the New Year on qualifications for the new curriculum.⁸⁰

93. The Minister confirmed that as Qualifications Wales’s work progresses on qualifications for the new curriculum, the proposals will be subject to a Regulatory Impact Assessment and any costs of the new qualifications to awarding bodies, schools and other parts of the sector will be looked at in detail.⁸¹

94. The letter noted the Welsh Government had agreed funding for the Church in Wales and the Catholic Education Service to develop guidance to support the delivery of the new curriculum from within existing budgets. It said these schools maintain that the requirements for them to deliver both agreed syllabus Religion, Values and Ethics (RVE) and denominational RVE would mean additional costs and resources for their schools and that the financial implications will be met from budgets committed to the realisation of the new curriculum.⁸²

Committee view

95. The Committee notes the uncertainties that have been created by COVID-19 and the need for the Welsh Government, and stakeholders, to prioritise their response to the pandemic. However, the Committee is disappointed that engagement with stakeholders had not progressed further upon the Bill’s

⁷⁹ Letter from the Minister for Education, 20 November 2020

⁸⁰ Letter from the Minister for Education, 20 November 2020

⁸¹ Letter from the Minister for Education, 20 November 2020

⁸² Letter from the Minister for Education, 20 November 2020

introduction. This leads to a number of concerns around the evidence that the Welsh Government was using to make the decisions outlined in the EM and RIA.

96. It is also concerning that the Welsh Government introduced a Bill knowing that it had not completed its engagement with certain key organisations and stakeholders. This is not the first Bill where this issue has occurred and the Committee has previously been critical of the approach taken on the Senedd and Elections (Wales) Bill and the Local Government and Elections (Wales) Bill where there was an intention on introduction to make substantial changes at a later stage, this practice should not continue. The Committee recognises the implication of COVID-19 in delaying this Bill, however, legislation and the relevant accompanying information must be complete when they are introduced in the Senedd.

97. The Committee notes the letter from the Minister to the CYPE Committee which contains further information on the financial implications of the Bill. The Committee notes that key stakeholders have raised concerns on the potential impact on the post-16 education system and the Minister's commitment to address these points.

98. The Committee notes that work is ongoing to identify potential costs resulting as a change in qualifications to awarding bodies and how these may impact on exam centres. The Committee notes that Qualifications Wales will be consulting further in the New Year on qualifications for the new curriculum and the proposals will be subject to a Regulatory Impact Assessment.

99. The Committee notes that the Welsh Government has agreed funding for the Church in Wales and the Catholic Education Service to develop guidance to support the delivery of the new curriculum, given that these schools maintain that the requirements for them to deliver both agreed syllabus and denominational RVE would mean additional costs and resources for their schools. The Committee is pleased that the financial implications will be met from budgets committed to the realisation of the new curriculum.

100. The Committee notes the Minister's intentions to keep the implementation timeline under review and supports this given the current environment. However, stakeholders must have certainty in order to be able to prepare for requirements of the new legislation and the Welsh Government must give this

decision priority. The Welsh Government must also be clear on the implications for the costs of the Bill and any other dependent factors should it conclude it is best to delay the implementation of the change.

Recommendation 7. The Committee recommends that the Welsh Government should provide the detail on its discussions with stakeholders around the potential costs to the post-16 education system and publish any details of the financial implications.

Recommendation 8. The Committee recommends that the Welsh Government provides details of how it will review the costs provided by stakeholders (and advise the Senedd of those costs) and the timescales of implementation.

7. Post-Implementation Review

101. The RIA notes that the post-implementation review is part of a ‘wider programme of evaluation of the curriculum reforms’. During the passage of the Bill the Welsh Government intends to start an ‘evaluability assessment’. This will identify how evidence about the implementation and impacts of the reforms can be reliably collected and presented.⁸³

102. The RIA details the evaluability assessment will, among other activities, include the formation of an advisory group and engagement with stakeholders. A detailed evaluation plan will follow the evaluability assessment. As part of the economic evaluation the Welsh Government intends to conduct a ‘thorough and robust review of the costs and benefits set out in the RIA’.⁸⁴

103. A review of the first five years following Royal Assent will be published.⁸⁵

104. The RIA outlines milestones within the evaluation process:

- Evaluability assessment complete by Summer 2021 (after Royal Assent)
- Evaluation plan complete in 2021/22
- Post implementation review of the first five years by Summer 2026
- Longer term: Impact evaluation when outcomes for children as they progress through to national examinations, further and higher education and adult life, are known.⁸⁶

105. Evaluation costs are recorded in the RIA at £2.8 million, spread equally over the appraisal period.⁸⁷

⁸³ Explanatory Memorandum, page 157

⁸⁴ Explanatory Memorandum, page 158

⁸⁵ Explanatory Memorandum, page 159

⁸⁶ Explanatory Memorandum, page 159

⁸⁷ Explanatory Memorandum, page 95

106. The Minister said she intends to set out plans for evaluation in the curriculum implementation plan that will be published, which will building on the work and recommendations of the OECD.⁸⁸ She expanded:

“So, the research and evaluation programme will begin prior to Royal Assent ... with work to understand and measure readiness in order to support effective implementation. The programme will also include the evaluability assessment—...—that will draw together views on the outcomes and impacts that we should measure, review existing and planned sources of evidence and identify the research activities that will be required outside of Government to measure them. And we’re looking at a 10-year implementation process throughout that point.”⁸⁹

Committee view

107. The Committee is disappointed that the evaluability assessment has not been undertaken, in some capacity, prior to the Bill being introduced. Without this being undertaken the post-implementation review is unable to provide adequate information on what will be assessed as part of any evaluation. Welsh Government officials also outlined to the Committee the importance of the evaluability assessment in capturing some of the wider benefits of the legislation, further details on this would have provided valuable information on how the Welsh Government intended to assess value for money of the change.

Recommendation 9. The Committee recommends that the Welsh Government updates the Explanatory Memorandum on its proposals for evaluating the legislation, including how and when it intends to do this.

⁸⁸ Finance Committee, RoP, paragraph 110, 21 September 2020

⁸⁹ Finance Committee, RoP, paragraph 111, 21 September 2020
