

Lesley Griffiths AM
Minister for Communities and Tackling Poverty

27 January 2016

Dear Minister

Welsh Government draft budget proposals, 2016-17

Thank you for attending the Committee on 21 January 2016 to answer questions on the Welsh Government's draft budget proposals for 2016-17 specifically in relation to communities and tackling poverty.

The Committee would like to draw your attention to the matters set out below, and looks forward to receiving your response, where appropriate, in due course.

1. Communities First

We welcome the protection of Communities First programme funding from any cash reduction.

Following last year's scrutiny of the draft budget, we wrote to you regarding the effectiveness of Communities First, as the Committee was keen to see a demonstrable link between investment into the Communities First programme and clear, measurable outcomes arising from the Programme, in order to determine value for money.



In response to our letter, you told us that delivery is measured by volume and impact, according to the number of interventions and how many of those interventions resulted in a positive outcome for the individual.

We recognise the benefits of Results Based Accountability (RBA), as a tool for measuring performance and informing funding decisions. We acknowledge the work that has been undertaken by the Welsh Government to improve the arrangements for assessing the effectiveness of its key programmes and the move to an outcomes-based approach using RBA. We have written to the Minister for Finance and Government Business seeking further details about how this has helped inform the budget setting process, in particular the decisions to protect the funding for Communities First. Similarly, we would be interested in receiving your views on this.

Nonetheless, we are concerned that some of the evidence relating to Communities First fails to demonstrate that the considerable investment by the Welsh Government is delivering the desired outcomes and therefore providing value for money. It is not clear how the Welsh Government can attribute specific outcomes within Communities First areas to the programme itself, rather than other programmes or the general economic conditions.

You stated that disaggregating the impact of other programmes within Communities First areas is difficult. We believe that more work should be carried out in this area so that the links between investment and outcomes is clearer.

You agreed to share some of the data that you have comparing employment rates between Communities First areas and other areas outside the programme. We would welcome that information.

Further, we would be grateful if you would clarify:

- i. Why the number of people living in poverty is not tracked as a Communities First performance indicator;
- ii. How you engage directly with people living in Communities First areas, and further details of the Community Involvement Plan process.



2. Homelessness

During our meeting, you told us that are making an additional £3 million available to local authorities in 2016 to support the implementation of Part 2 of the Housing (Wales) Act 2014. However, in a separate response to a WAQ (69580), you stated that you would be making an additional £2.2 million available to local authorities.

You told us that the £3 million allocation was made up of £0.8 million from the homelessness prevention budget and an additional £2.2 million from across the whole portfolio. We asked you why this £2.2 million allocation does not appear in the budget line, and you told us that it was because it was a “budget funding pressure”. Could you:

- i. clarify what you meant by this statement,
- ii. provide a breakdown of the areas of your overall portfolio from which the £2.2 million has been drawn, and
- iii. confirm whether the additional allocation to local authorities will be £3 million or £2.2 million.

3. Financial inclusion

We note that the “refreshed” Financial Inclusion Strategy and delivery plan will be delivered later in 2016 and funded through the existing Financial Inclusion Budget Expenditure Line.

We look forward to discussing this with you in more detail at our meeting on 27 January.

4. Housing enablers

We note that there is no specific funding allocation in the draft budget for Rural Housing Enablers, and that other partners in addition to the Welsh Government provide funding for these posts. However, in your evidence, you stated that you had made an ‘in principle’ commitment of £100,000 to fund Rural Housing Enablers.



Your paper shows a “Housing Enablers” revenue Budget Expenditure Line that is reduced from £95,000 to zero in 2016–17. Can you confirm:

- i. whether this BEL is used to fund Rural Housing Enablers, and
- ii. whether that funding will be made available to continue the work of Rural Housing Enablers.

5. Renting Homes (Wales) Act

As you are aware, the Renting Homes (Wales) Act received Royal Assent on 18 January 2016. We were therefore surprised to hear that, although you were anticipating 21 pieces of subordinate legislation to be made under the Act, it appeared that no preparatory work had been undertaken in drafting regulations and there is no funding allocated for this in the 2016–17 budget.

- i. Could you confirm when you anticipate bringing forward regulations and guidance under the Act?

Yours sincerely



Christine Chapman AM
Chair

cc. Jocelyn Davies AM, Chair, Finance Committee

