

Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol

Communities, Equality and Local Government
Committee

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Jane Hutt AM
Minister for Finance and Government
Business

Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff
CF99 1NA

24 October 2014

Dear Minister

Welsh Government draft budget proposals, 2015-16

Thank you for attending the Committee on 9 October 2014 to answer questions on the Welsh Government's draft budget proposals for 2015-16, specifically on the process of considering equality in the budget.

The Committee would like to draw your attention to the matters set out below, and looks forward to receiving your response, where appropriate, as soon as possible.

We note that the Finance Committee's consideration of the draft budget is structured around the four financial scrutiny objectives of affordability; prioritisation; value for money; and budget processes. We have applied these objectives to our considerations, where appropriate. A copy of this letter goes to the Finance Committee to inform its overarching consideration of the draft budget and it will also be published on our website.

1. Budget reductions

We note that the main reductions in spending detailed in the Strategic Integrated Impact Assessment includes a significant reduction for post-16 education, education and career choice, the Supporting People Programme and Communities First. Given that these include key areas of preventative spend, we are concerned about the impact of these reductions, particularly on vulnerable groups. Within this context, and in view of the significant increase in funding for health and social care, we are concerned about the apparent prioritisation of health services over preventative services, such as the Supporting People Programme .

We are concerned about the overall reduction of £10 million for the Supporting People Programme, the impact of this on the delivery of the Programme and on the ability of vulnerable groups to access much needed advice and support. In addition, we question whether sufficient consideration has been given to the cost implications for other public services, including health, of the reduction in funding for the Programme. As such, we would welcome further detail from you on any cost-benefit analysis undertaken to inform the decision to reduce funding for the Supporting People Programme. Linked to this, we note your intention to undertake an assessment of the impact of this funding reduction and we would welcome further details of this as soon as they become available.

During the evidence session, you stated that “raising the skills level of the Welsh workforce is key to our ambitions to tackle poverty”. Despite this assertion, funding for post-16 education and Careers Wales’ has been reduced. We are concerned that the reduction in this funding for could further disadvantage groups including, NEETs, black and minority ethnic groups and disabled people, who are already at increased risk of poverty.

2. The Budget Advisory Group on Equality (BAGE) and the Strategic Integrated Impact Assessment (SIIA)

We are aware that the Budget Advisory Group on Equality (BAGE) has been in existence now for two years and that, according to your evidence it “has had a significant influence already”, although you would “not necessarily be steered by [the Group]”. As such, we are unclear about the role of BAGE. We would welcome further information on its role, in particular, the extent to which BAGE is able to influence the development of the draft budget and its impact on final budget decisions across Welsh Government portfolios. As agreed at the meeting, we would also like the minutes of all BAGE meetings, including the 23 October meeting when we understand the Group will meet to discuss the draft budget 2015-16.

We welcome the publication of the first Strategic Integrated Impact Assessment (SIIA) and the steps undertaken by you to improve the impact assessment process. We believe there is an opportunity for BAGE to have a more influential role in the development of the SIIA, and for it to provide a critical analysis of the draft budget. We would like you to consider this ahead of the next budget round and report back to us on the outcome of your consideration.

Finally, we would also like you to consider whether there is a role for BAGE in collating and assessing local authority budget assessments with a view to identifying the cumulative impact of budget decisions on particular groups and to report back to us on this.

Yours sincerely

A handwritten signature in black ink that reads "Christine Chapman". The signature is written in a cursive, flowing style.

Christine Chapman AC / AM

Cadeirydd / Chair

cc Jocelyn Davies AM, Chair, Finance Committee