

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

**WGDB25-26(6)33: Ymateb gan: Grŵp Cyllideb Menywod Cymru (GCMC) Rhwydwaith cydraddoldeb merched (RCM) | Response from: Wales Women's Budget Group and Women's Equality Network (WEN)**

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# Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) Wales joint submission to the Finance Committee

## Welsh Government Draft Budget 2025-26

November 2024

**About the Wales Women's Budget Group (WWBG):** WWBG is a registered charity, currently housed by the Women's Equality Network (WEN) Wales, which works with government and civil society in pursuit of a more prosperous and gender equal Wales. Bringing together leading economic thinkers, academics, policymakers and women's networks, the WWBG works to influence and inform public policy to promote a gender equal economy in Wales through the use of gender budgeting.

**About the Women's Equality Network (WEN) Wales:** Our vision is of a Wales free from gender discrimination where all women and men have equal authority and opportunity to shape society and their own lives. We work with our vibrant coalition of organisational and individual members to transform society. Our work sits under three pillars. We will Connect, Campaign and Champion women so our vision is realised.

### Key Messages

1. Due to persistent gender inequality, women in Wales – particularly single mothers, disabled women, ethnic minority and racialised women – continue to feel the brunt of high costs of living. While support measures such as hardship payments are welcome, renewed effort and investment are needed to address the systemic drivers of women's economic inequality
2. Lack of affordable and accessible childcare remains a key barrier to gender equality. The Welsh Government should reverse recent cuts to the childcare budget and commit consequential funding that meets the needs of parents, particularly mothers, in Wales.
3. Pressures on the third sector and the Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) specialist support services are at an all-time high and likely to increase with rises to employer national insurance contributions. Urgent action is needed to halt the rapid loss of capacity in the Welsh third sector and protect the sustainability of support services.
4. While some steps towards implementing gender budgeting and improving Strategic Integrated Impact Assessments (SIIAs) have been made, the deprioritisation of equalities and human rights in last year's budget highlighted the urgent need for a wider roll out of gender budgeting in Wales to ensure evidence-based, equitable and transparent spending decisions.

### Detailed response

#### 1. What, in your opinion, has been the impact of the Welsh Government's 2024-2025 Budget?

- 1.1. While we appreciate the extraordinarily challenging financial circumstances within which the 2024-2025 Budget was produced, we are concerned that this has resulted in the deprioritisation of equalities issues and spending decisions that disproportionately and detrimentally impacted women in Wales.
- 1.2. **Cost of living support:** Persistent gender inequalities mean that women in Wales bear a disproportionate share of caring responsibilities. Due to this unequal position, women in Wales are over 2.5 times more likely than men to be working part-time, and are more likely to

be economically inactive, with 26.7% of women in Wales being economically inactive compared to 20.8% of men<sup>1</sup>. Women are also over 3.5 times more likely than men to be economically inactive due to caring responsibilities.<sup>2</sup> In addition, women dominate some of the most insecure and low-paid sectors, including health and social care as well as food, accommodation and other services, where their representation recently increased.<sup>3</sup> As a result, women have less savings and wealth overall and are thus more vulnerable to the economic impacts of successive crises. As we continue to navigate the cost of living crisis, women in Wales – particularly those facing specific intersectional disadvantage – are being pushed into debt and poverty as costs remain high.

**1.2.1.** In this context, we welcome the cost of living support measures announced in the 2025-2024 Budget. For example, we were pleased to see the Welsh Government's maintenance of the Discretionary Assistance Fund (DAF), which provides a vital lifeline to those on low incomes. The financial and in-kind support provided by the scheme can help to reduce pressure on women's incomes as the cost of essentials remains high. This is particularly important for single parent households, the majority of whom are women, of which one in three are living in relative income poverty in Wales.<sup>4</sup>

**1.2.2.** We welcome the Welsh Government's continued funding of its *Help to Stay* scheme, which supports homeowners to meet their mortgage repayments as interest rates remain high. We are concerned, however, at the comparative lack of available support for private renters as rental costs continue to soar. With 31% of private rented tenants living in relative income poverty in Wales, there is an urgent need for governmental support to prevent pushing low-income tenants, most of whom are women, further into debt and poverty.<sup>5</sup>

**1.2.3.** The Welsh Government's Council Tax Reduction Scheme is an essential form of support for lower income households and carers. Its continued funding in the 2024-2025 Budget is therefore welcome. However, it is disappointing that, despite its inclusion in the Local Government Finance (Wales) Bill, work to reform the regressive council tax system in Wales has been delayed until 2028. In the face of continuing shortfalls for local governments in Wales and the possibility of further council tax rises which will disproportionately impact those on low incomes, this delay is regrettable.

**1.3.** While the above hardship payments and support measures are necessary, we must emphasise that they are short-term measures which do little to address the underlying causes of the crisis and help households cope in the longer term. To ensure that these measures amount to more than temporary sticking plasters, they must be accompanied by concerted efforts to address the structural causes of inequality in Wales. Regrettably, the 2024-25 budget saw key areas of this work being deprioritised.

**1.4. Public services:** Persistent gender inequalities mean that women are more likely to work in public services, to rely on public services and to become providers of last resort when

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<sup>1</sup> Women's Equality Network (WEN) Wales (2024), *State of the Nation 2024*, <https://wenwales.org.uk/wp-content/uploads/2024/09/SON-Report-2024.English.pdf>.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Welsh Government (2024), *Relative income poverty: April 2022-March 2023*, <https://www.gov.wales/relative-income-poverty-april-2022-march-2023-html>

<sup>5</sup> Ibid.

services are cut.<sup>6</sup> Reductions or cuts to public service provision therefore represent a ‘triple whammy,’<sup>7</sup> for women in the UK. While we welcome the commitment to protect Wales’ frontline services within the 2024-2025 Budget, we are concerned that that levels of support provided were insufficient to help providers meet growing cost pressures. We were also alarmed by the significant cuts in funding for the Welsh Childcare Offer in last year’s budget.

**1.4.1. Health and social care:** In combination with in-year spending changes announced in October 2023, the Welsh Government has invested over £900million in the Welsh NHS over the past year. With 78% of women working within the sector in Wales and waiting lists totalling over 800000 patient pathways in August 2024, this prioritisation of funding is necessary to address the continuing issues with the NHS.<sup>8</sup> We are concerned, however, that the same priority has not been given to social care in Wales, which is inextricably linked to frontline NHS services. Imbalances in funding such as that in the 2024-2025 Budget not only result in bottlenecks within the health and social care system, but also disproportionately impact women, who make up 82% of Wales’ social care workforce.<sup>9</sup> Inadequate support for this sector results in cuts to provision and growing rates of unmet need within the community. As noted by the UK Women’s Budget Group, this ‘often results in women picking up the care unpaid, impacting their own health and access to the labour market.’<sup>10</sup> There is an urgent need to develop a more sustainable and balanced approach to funding health and social care in Wales, which recognises the value and importance of the social care sector alongside the NHS. The Welsh Government must also address the serious issues with recruitment and retention within social care by tackling the prevalence of precarious zero-hour contracts, lack of job security and shortage of progression and training opportunities.

**1.4.2. Local Government:** Local councils in Wales provide many of the vital public services that women use and need, including social care, childcare, housing and transport. As noted above, women are more likely than men to work in public services and to rely to them in times of crisis. Inadequate funding for local government therefore disproportionately impacts women as employees, service users and service providers of last resort. While we welcome the late allocation of £14.4 million to local authorities in the Welsh Government’s 2024-2025 Budget, we are concerned that this level of support was insufficient to keep pace with the cost pressures and increased demand faced by providers. With local authorities in Wales facing a further shortfall of £559 million in 2025-26, it is vital that more adequate funding is invested in local government to protect the services that women in Wales rely on and work within.<sup>11</sup>

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<sup>6</sup> UK Women’s Budget Group (2022), *The gendered impact of the cost-of-living crisis on public services*, <https://wbg.org.uk/wp-content/uploads/2022/11/Gendered-impact-of-cost-of-living-crisis-on-public-services1.pdf>

<sup>7</sup> Ibid.

<sup>8</sup> WEN Wales (2024), *State of the Nation 2024*; Stats Wales (2024) *Patient pathways waiting to start treatment by month, grouped weeks and stage of pathway*, <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/NHS-Hospital-Waiting-Times/Referral-to-Treatment/patientpathwayswaitingtostarttreatment-by-month-groupedweeks>

<sup>9</sup> WEN Wales and Oxfam Cymru (2024), *Feminist Scorecard 2024*.

<sup>10</sup> Women’s Budget Group (2024), *Some promising green shoots for women: challenge of poverty remains*, says WBG, <https://www.wbg.org.uk/article/some-promising-green-shoots-for-women-challenge-of-poverty-remains-says-wbg/>

<sup>11</sup> Welsh Local Government Association (WLGA), *Council services face “unsustainable” budget pressures*, says WLGA, <https://www.wlga.wales/council-services-face-%e2%80%9cunsustainable%e2%80%9d-budget-pressure-says-wlga>

**1.4.3. Childcare:** Childcare was not included in the frontline public services protected within the Welsh Government's 2024-2025 Budget. Instead, its funding was cut significantly. In addition to the reprioritisation of £16million from childcare budgets in the Welsh Government's 2023 in-year spending changes, the 2024-2025 Budget included a further £11.2million of cuts to its funding. In both cases, these decisions were justified on the basis of lower-than expected uptake forecasts of the Welsh Childcare Offer. However, it is well-evidenced that the need for affordable and accessible childcare remains critical in Wales, with high childcare costs compounding financial pressures and pushing families into debt and poverty.<sup>12</sup> As highlighted by Oxfam Cymru, 43% of parents and guardians in Wales are unable to pay other essential costs after paying for childcare, and over two-thirds have had to reduce their working hours due to a lack of childcare.<sup>13</sup> These pressures are being felt most acutely by single parents, the majority of whom are women, and directly contribute to the unequal economic position of women, with over a quarter of women in Wales economically inactive due to caring responsibilities.<sup>14</sup>

1.4.3.1. As research consistently demonstrates the urgent and growing need for affordable childcare, the decision to cut funding sent a jarring message to families across Wales as it marked a further missed opportunity to address well known issues that make it difficult for families to access the Childcare Offer.<sup>15</sup> Alarmingly, the decision to reprioritise childcare funding does not seem to have been subject to robust equalities impact assessment to understand its impact on parents, particularly mothers. The Strategic Integrated Impact Assessment, for example, simply stated that “[b]ased on latest forecast demand for our Childcare offer we are reprioritising £11.2m, with no anticipated direct impact to delivery.”<sup>16</sup>

**1.5. Third sector:** The cuts within in-year spending changes and Welsh Government's 2024-2025 Budget to Social Justice were deeply concerning as they indicated a deprioritisation of equalities and a reduction of resources to address long-term systemic change. The majority of these cut emanated from the Equalities, Human Rights and Inclusion expenditure group, which funds several important equality and human rights programmes and third sector organisations in Wales. In the context of unprecedented pressures on public services,

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<sup>12</sup> Oxfam Cymru and Make Care Fair, *Little steps, big struggles: Childcare in Wales* (November 2023), <https://oxfamapps.org/cymru/wp-content/uploads/2023/11/Little-Steps-Big-Struggles.pdf>; Bevan Foundation and Joseph Rowntree Foundation, *Tackling disadvantage through childcare in Wales* (January 2024), <https://www.bevanfoundation.org/resources/tackling-disadvantage-through-childcare-in-wales/#:~:text=This%20new%20report%20from%20the,in%20order%20to%20improve%20outcomes;> Pregnant then Screwed, New Economics Foundation and Oxfam Cymru, *Family Childcare Promise: The effects of introducing a cap on childcare costs for families with 0-4 year-old children in Wales* (July 2024), <https://pregnantthenscrewed.com/wp-content/uploads/Combined-Towards-a-Family-Childcare-Guarantee-The-effects-of-introducing-a-cap-on-childcare-costs-for-families-with-0-5-year-old-children-in-Wales.pdf>.

<sup>13</sup> Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*.

<sup>14</sup> WEN Wales (2024), *State of the Nation 2024*.

<sup>15</sup> Equality and Social Justice Committee (2024), *Their Future: Our Priority? Follow up inquiry into childcare provision in Wales*, <https://senedd.wales/media/iboexr4y/cr-ld16609-e.pdf>; WEN Wales (2024), *Consultation response: Follow-up inquiry into childcare and parental employment*, <https://wenwales.org.uk/wp-content/uploads/2024/07/WEN-consultation-response-2024-Inquiry-into-Childcare-and-Parental-Employment.pdf>.

<sup>16</sup> Welsh Government (2023), *Draft Budget 2024-2025: A Budget to Protect the Services which Matter Most to You*, <https://www.gov.wales/sites/default/files/publications/2023-12/2024-2025-draft-budget-narrative.pdf>

significant cuts to the organisations which often make up for this shortfall and play an indispensable role in advocating for the most disadvantaged in our society, is prejudicial. The 2024-2025 cuts represented the latest shock to the rapidly contracting Welsh third sector, which has been hit successively by the loss of EU funding, rising cost pressures and increased levels of demand during the cost of living crisis. This has inevitably led to cuts to voluntary provision and the downsizing of third sector organisations, which have been felt most acutely by the communities that these organisations support. As noted by recent research by the WCVA, 43% of third sector organisations surveyed had to actively reduce staff numbers in 2023.<sup>17</sup> In some cases, this has resulted in the regrettable closure of long-standing organisations such as Chwarae Teg, which represented a significant setback in the fight for gender equality in Wales. As noted below, without significant targeted support for the sector, its precarity is likely to increase this year, with organisations taking a further financial hit in the context of rises to employer National Insurance Contributions.

**1.6. VAWDASV:** The Welsh Government's Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) budget has remained at the same level — £8m revenue and £2.2m capital — since the 2022/23 budget. While it is positive that this budget has been protected amidst cuts elsewhere, the lack of increase means a real-terms reduction. Rising costs across the sector make it difficult for service providers to absorb these increases without at least inflation-linked budget growth. The 2024/25 budget saw an increase in the Welsh Government's Housing Support Grant (HSG) for projects aimed at homelessness prevention and supporting groups such as VAWDASV survivors, including through refuges. While acknowledges the severe pressures on services, it follows years of underfunding relative to inflation and demand. Organisations rely heavily on short-term, competitive funding, which adds administrative burden, hinders long-term planning, and affects staff recruitment and retention. This challenge disproportionately affects smaller 'by and for' organisations that serve minority ethnic, disabled, LGBTQ+, and migrant women.<sup>18</sup>

**1.7. Gender budgeting:** The deprioritisation of equalities issues within the 2024-25 Budget highlighted the urgent need for gender budgeting in Wales. To ensure that spending decisions are subject to robust, evidence-based impact assessment and to avoid unequal gendered impacts such as those discussed above, the Welsh Government must progress with the roll out of gender budgeting as a matter of urgency.

**1.7.1.** We were pleased to see some progress in this area over the past year within the Welsh Treasury. This includes, for example, the development of an online gender budgeting resource for government officials and policymakers and the ongoing work to incorporate gender budgeting questions within the Welsh Government's departmental Equality and Human Rights Impact Assessment, both of which are important first steps in embedding a gender lens within the decision-making process. We also welcome the continued work being undertaken by treasury officials and other stakeholders through the Budget Improvement and Impact Advisory Group (BIAG) to review the Strategic Integrated Impact Assessment (SIIA) published alongside the Draft Budget. As discussed further in this response, the shortcomings of the SIIA were highlighted in last year's iteration, which lacked depth and evidential backing for the spending decisions it discussed. We hope to see improvement and more robust impact assessments within this year's SIIA as a result of this ongoing work.

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<sup>17</sup> WCVA (2023), *The aftermath of an afterthought*, <https://wcva.cymru/views/the-aftermath-of-an-afterthought/>

<sup>18</sup> WEN Wales and Oxfam Cymru (2024), *Feminist Scorecard 2024*.

**1.7.2.** Despite this progress, there is still much further to go with regards to gender budgeting in Wales. We are, for example, still awaiting the evaluation of the Welsh Government's remaining two gender budgeting pilots – Young Person's Guarantee and E-Move – which were scheduled to end in 2022-23. To prevent these pilots being siloed and to support crucial plans to roll out gender budgeting more widely, this information must be clarified without delay.

## **2. What action should the Welsh Government take to:**

- **Help households with inflation and the cost of living issues;**
- **Address the needs of people living in urban, post industrial and rural communities, including building affordable housing and in supporting economies within those communities?**

**2.1.** As 'shock absorbers of poverty,' women feel the effects of rising food, energy, housing and other costs more acutely.<sup>19</sup> This is particularly the case for single mothers, who rely on a single income and lack a co-parent to share childcare responsibilities with. Single parents – 86% whom are women<sup>20</sup> – remain most likely to be living in relative income poverty in Wales, with 30% currently doing so.<sup>21</sup> The likelihood of living in relative income poverty in Wales increases to 50% for households headed by individuals from Black, Asian or minority ethnic groups.<sup>22</sup>

**2.1.1.** In September 2024, 47% of Universal Credit claimants in Wales – the majority of whom are women – reported having to cut down on or skip meals entirely due to financial pressures.<sup>23</sup> This is twice the national average of 23%.<sup>24</sup>

**2.1.2.** In the UK, 40% of young women with children reported having to choose between feeding themselves or their children in 2023.<sup>25</sup> This figure rose to 52% for women on benefits.<sup>26</sup>

**2.2.** In this context, while we welcome Welsh Government's cost of living support measures, we are concerned that they do not go far enough to help women and other vulnerable groups cope with inflationary pressures and associated cost of living issues.

**2.2.1. Discretionary Assistance Fund (DAF):** As highlighted above, the DAF helps to reduce pressure on women's incomes as the cost of essentials remains high. Its continued funding in the 2024-25 budgetary cycle is therefore very welcome. However, in the context of increased demand for Emergency Assistance Payments in Wales over the past year, it is vital that, at a minimum, funding for the DAF is protected in the Welsh Government's upcoming Draft Budget.<sup>27</sup>

**2.2.2. Council Tax Reduction Scheme:** As it is not based on income, council tax can have inequitable effects on low-earning tenants and homeowners. In the context of rising cost pressures, many local authorities in Wales have resorted to raising council tax

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<sup>19</sup> UK Women's Budget Group (2022), *The gendered impact of the cost-of-living crisis*, <https://wbg.org.uk/wpcontent/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>

<sup>20</sup> Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*.

<sup>21</sup> Welsh Government (2024), *Relative income poverty: April 2022-March 2023*.

<sup>22</sup> Ibid.

<sup>23</sup> The Bevan Foundation (2024), *A snapshot of poverty in autumn 2024*, <https://www.bevanfoundation.org/wp-content/uploads/2024/11/Snapshot-Autumn-2024-Final.pdf>

<sup>24</sup> Ibid

<sup>25</sup> Young Women's Trust (2023), *The long road to change: Young Women's Trust annual survey 2023*, <https://www.youngwomenstrust.org/our-research/the-long-road-to-change-annual-survey-2023/>

<sup>26</sup> Ibid.

<sup>27</sup> The Bevan Foundation (2024), *A snapshot of poverty in autumn 2024*.

rates to plug funding gaps. Due to its regressive nature, council tax rises are felt most acutely by those on lower incomes, such as single parent households who rely on a single income. The Council Tax Reduction Scheme offers support to these households by reducing their council tax bills with discounts of up to 100%. With Welsh local authorities facing projected funding shortfalls of £559 million in 2025-2026, it is essential that support for this scheme is retained in the upcoming Draft Budget. Furthermore, in this context, the delay to the reform of Wales' council tax system is highly regrettable. To protect the most vulnerable households from inflationary and cost of living pressures, Welsh Government must accelerate its work towards a more fair and progressive council tax system in Wales.

**2.2.3. Warm Homes Programme:** We welcome the Welsh Government's new Warm Homes Programme which prioritises support for households living in the most fuel poor homes. There are, however, issues with the programme's pace of delivery, which the Bevan Foundation estimate will take over a century to fulfil its aim of helping all low-income Welsh households living in cold homes.<sup>28</sup> To tackle fuel poverty in Wales, the Welsh Government must adequately fund its Warm Homes Programme to ensure support reaches those most in need as soon as possible.

**2.3. Childcare:** In Wales, over a quarter (25.7%) of women are economically inactive due to caring responsibilities. The lack of affordable and accessible childcare therefore represents a key barrier to women's workforce participation in local economies.

**2.3.1.** As noted by Pregnant Then Screwed, families in Wales are paying costs of £46,215 for 40 hours of childcare per week across four years.<sup>29</sup> These costs place a prohibitive burden on many parents, particularly mothers, who are forced to leave work or reduce their working hours to make up for shortfalls in provision.<sup>30</sup>

**2.3.2.** While funded childcare provision exists in Wales to help ease these pressures, significant accessibility issues remain with these programmes. For example, the Welsh Government's Childcare Offer, which provides 30 hours of funded provision to parents of three and four-year-olds, is only available to those in work, education or training. This excludes families on the lowest incomes. There are also significant gaps in provisions for parents working atypical hours, for disabled children and for those living in rural areas, meaning that many families who are formally entitled to the 30 hours are unable to access settings that meet their needs.

**2.3.3.** The phased expansion of childcare to parents of two-year-olds through the Flying Start programme, while welcome, only amounts to 12.5 hours a week/2.5 hours a day, which does little to support working parents. Research shows that funded childcare in the region of 15 hours or less is largely ineffective in addressing parental employment, whereas expanding entitlements to 30 hours leads to significant increases in labour force participation and employment of mothers whose youngest child is eligible.<sup>31</sup>

**2.3.4.** We are concerned that this situation is set to worsen, with uncertainty regarding the Welsh Government's commitment to expanding childcare to all two-year-olds

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<sup>28</sup> The Bevan Foundation (2024), *Response to the Senedd inquiry into fuel poverty in Wales*, <https://www.bevanfoundation.org/resources/esj-committee-response-inquiry-fuel-poverty/>

<sup>29</sup> Pregnant Then Screwed (2024), *Welsh families are spending £46,215 per child for full time childcare. It's time for a Family Childcare Promise*, <https://pregnantthenscrewed.com/familychildcarepromise/>

<sup>30</sup> Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*

<sup>31</sup> Institute of Fiscal Studies (2022), *Does more free childcare help parents work more?* <https://ifs.org.uk/publications/does-more-free-childcare-help-parents-work-more>

through Phase 3 of its Flying Start programme.<sup>32</sup> Delays to this expansion in close succession to childcare cuts in last year's budget would indicate a worrying lack of commitment to improving access to childcare in Wales.

**2.3.5.** In the context of increases to employer National Insurance Contributions and the National Minimum Wage announced in UK Government's Autumn Budget, 95% of childcare providers have reported that they will be forced to increase fees to meet these additional cost pressures, with 40% reporting that they will have to close their doors entirely.<sup>33</sup> We welcome the Welsh Government's recent announcement to make permanent the non-domestic rates relief for childcare premises as well as the decision to move from three-yearly to annual reviews of the rates paid to providers delivering the Childcare Offer.<sup>34</sup> While these announcements demonstrate a commendable commitment to supporting the childcare sector, it is unclear whether this is sufficient to halt the loss of capacity and fee increases seen in recent years. Further investment will be needed to address gaps in provision that disproportionately impact women, and to facilitate better pay for the female dominated childcare and early years workforce.

**2.3.6.** The Government must investigate and address the reasons for the lower-than-expected uptake of its Childcare Offer and use consequential funding to ensure that funded childcare meets the needs of parents, particularly mothers, in Wales. The Welsh Government should also consider providing further support to the childcare sector to mitigate the impacts of increases to employer National Insurance Contributions and the National Minimum Wage.

**2.4. Social Care:** Women make up 82% of the social care workforce in Wales.<sup>35</sup> As a traditionally lower-paid employment sector, we are pleased to see the Welsh Government's continued commitment and funding to pay all social care workers the Real Living Wage. We are concerned, however, that this funding may not be reaching the whole sector, partly because it was not hypothecated.<sup>36</sup> With 82% of social care workers in Wales finding it more difficult to cope financially than a year ago, Welsh Government must ensure that the Real Living Wage is implemented across the sector.<sup>37</sup>

**2.4.1.** There remain significant issues with recruitment and retention within the social care sector. As highlighted in the 2023 Social care workforce survey, over a quarter of social care workers stated that they were 'quite' or 'very likely' to leave the workforce within the next 12 months.<sup>38</sup> 40% of these respondents gave 'poor employment or working

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<sup>32</sup> The Bevan Foundation (2024), *Rolling back on childcare commitments?*

<https://www.bevanfoundation.org/views/rolling-back-on-childcare-commitments/>

<sup>33</sup> Early Years Alliance (2024), *Families face rising early years costs for families and setting closures as providers warns of the impact of National Insurance and minimum wage rises, Alliance survey finds*, <https://www.eyalliance.org.uk/news/2024/11/families-face-rising-early-years-costs-families-and-setting-closures-providers-warns>

<sup>34</sup> Welsh Government (2024), *Huge boost for childcare sector in Wales as small business rates relief made permanent*, <https://www.gov.wales/huge-boost-childcare-sector-wales-small-business-rates-relief-made-permanent>; *Written Statement: Childcare Offer for Wales: Rates Review*, <https://www.gov.wales/written-statement-childcare-offer-wales-rates-review>

<sup>35</sup> WEN Wales and Oxfam Cymru (2024), *Feminist Scorecard 2024*.

<sup>36</sup> Ibid.

<sup>37</sup> Social Care Wales (2024), *Social care workforce survey 2023*, <https://socialcare.wales/pdfs/scw-workforce-survey-2023-412240.pdf>

<sup>38</sup> Ibid.

conditions' as the reason for their decision to leave.<sup>39</sup> The working terms and conditions within the sector therefore represent key barriers to the retention of social care workers, and the economic equality of its predominantly female workforce. To address these issues, the Welsh Government must take urgent action to tackle the prevalence of precarious, zero-hour contracts, lack of job security, and shortage of training and progression opportunities within the sector.

**2.4.2.** Another factor which contributes to recruitment and retention issues in social care is the lack of parity of esteem with NHS workers. As discussed above, despite being inextricably linked to the NHS, the social care sector has not received the same support or recognition. With fewer than half of the social care workforce feeling valued by the public, there is an urgent need to develop a more holistic approach to funding health and social care in Wales, which recognises the value and importance of the social care workforce.<sup>40</sup> As highlighted by the Welsh Government itself, investing resources to improve pay and conditions within the social care sector will not only help to tackle the economic and health inequalities of women in Wales, but it will also improve the efficiency of the Welsh NHS.<sup>41</sup>

**2.5. Gender budgeting and mainstreaming:** While we welcome the introduction of the Welsh Government's Child Poverty Strategy for Wales in January of this year, we are disappointed that it does not fully address the gendered impacts of poverty in Wales. As noted by the Women's Budget Group, the root causes and consequences of women's and children's poverty are inextricably linked.<sup>42</sup> Tackling poverty in Wales therefore requires addressing gender inequality at its root and reducing the economic inequalities that have left women vulnerable to successive crises. The Welsh Government can do this by implementing the recommendations of the Gender Equality Review *Deeds Not Words* in full and embedding an intersectional gendered lens into all future spending decisions by progressing the wider roll out of gender budgeting.<sup>43</sup>

### **3. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?**

**3.1.** The inflexibility of the Welsh Government's fiscal framework was highlighted in last year's budgeting cycle, during which challenging financial circumstances necessitated significant budgetary cuts and reprioritisations. As noted above, this resulted in the regrettable deprioritisation of equalities issues, but it also emphasized the limited tools at the Welsh Government's disposal to manage its budget from year to year. As noted by the Institute of Welsh Affairs (IWA), this 'lack of fiscal firepower,'<sup>44</sup> constrains the Welsh Government's policymaking abilities in gendered areas such as health, economy, housing and transport. While the full impact of these inflexibilities in the context of a new UK Government and earlier

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<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> Welsh Government (2022), *The Quality Statement for women and girls' health*.

<https://www.gov.wales/sites/default/files/pdf-versions/2022/7/2/1657017419/quality-statement-women-and-girls-health.pdf>

<sup>42</sup> Women's Budget Group (2005), *Women's and children's poverty: making the links*,

<https://oxfamlibrary.openrepository.com/bitstream/handle/10546/112550/women's-children's-poverty-010305-en.pdf;jsessionid=7CF916436D8B79C80A6B8D9D25D182CD?sequence=1>

<sup>43</sup> Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*.

<sup>44</sup> Institute of Welsh Affairs (2022), *Fiscal Firepower: Effective Policy-Making in Wales*.

<https://www.iwa.wales/wp-content/media/IWA-Fiscal-Firepower-and-Effective-Policy-Making.pdf>

UK budget timelines remains unclear, the Welsh Government must continue to call for a fairer fiscal framework for Wales, to support responsible and sustainable budgeting for the people of Wales.

**3.1.1. Taxation:** Notwithstanding a small number of devolved taxes – Council Tax, non-domestic rates, land transaction tax and landfill disposals tax – Wales' tax powers are limited.

3.1.1.1. **Council tax:** In the context of projected shortfalls of £559 million for local authorities in 2025-2026, the delay to reforming the council tax system in Wales is highly regrettable. As noted above, the regressive nature of council tax means that any rise in council tax to plug local authority funding gaps, will disproportionately impact those on the lowest incomes. To protect the most vulnerable households, the Welsh Government must accelerate its work towards a more fair and progressive council tax system in Wales.

3.1.1.2. **Income tax:** While income tax is more progressive than council tax, there is limited scope to use it as a fairer means to raise revenue in the Welsh context. Unlike in Scotland, the Welsh Government cannot adjust income tax bands (which are formulated on a UK basis) or create new ones. Instead, under Welsh rates of income tax, the Welsh Government can amend the top 10p paid by Welsh taxpayers in every £1 of income in each tax band (Basic, Higher, Additional). As noted by Wales Fiscal Analysis, current income tax thresholds are not suitable to income levels in Wales, where 93% of taxpayers pay the basic rate.<sup>45</sup> The Welsh Government must continue to make the case for further devolution of taxation powers to Wales, to allow more flexibility and to respond to the needs of Welsh taxpayers.

**3.1.2. Borrowing:** As noted by the IWA, the Welsh Government's current borrowing cap 'embeds expensive borrowing and essentially bans cheaper forms of borrowing above a certain level.'<sup>46</sup> This arrangement locks Wales into lower levels of development than other parts of the UK. To address this, the Welsh Government should continue to call for and explore the case for the devolution of prudential borrowing powers with the new UK Government.

**4. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below? /Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

See answer to question 3 above.

**How could the budget further address gender inequality in areas such as healthcare, skills and employment?**

**5.1 Health inequalities:** While women in Wales tend to live longer than men, they have a shorter *healthy* life expectancy and live fewer years 'disability free.'<sup>47</sup> Entrenched gendered biases in

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<sup>45</sup> Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*, [https://www.cardiff.ac.uk/\\_data/assets/pdf\\_file/0007/2779342/The-medium-term-fiscal-outlook-for-local.pdf](https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-for-local.pdf)

<sup>46</sup> Institute of Welsh Affairs (2022), *Fiscal Firepower: Effective Policy-Making in Wales*.

<sup>47</sup> WEN Wales and Oxfam Cymru (2024), *Feminist Scorecard 2024*; Welsh Government (2022), *The Quality Statement for women and girls' health*.

Wales' healthcare system mean that women experience barriers to accessing services and have poorer health outcomes than men.

- 5.1.1** A key reason for this disparity is the traditional underrepresentation of women in clinical trials, which has resulted in diagnosis, treatments and clinical guidelines largely based in men's experience of illness.<sup>48</sup> Consequently, any different symptoms that women may experience are often over-looked or dismissed.<sup>49</sup> This results in delays to diagnosis, worsening prognoses and poorer health outcomes for women in areas such as cancer, diabetes and mental health.<sup>50</sup>
- 5.1.2** Moreover, health conditions which specifically affect women– such as endometriosis and menopause – are under-researched and poorly understood. Women report that symptoms are often dismissed as 'normal' or erroneously attributed to psychological causes.<sup>51</sup> This results in diagnostic delays and limits access to healthcare, some of which are particularly severe in the Welsh context. For example, at 9 years and 11 months, Wales has the longest average diagnosis times for endometriosis in the UK.<sup>52</sup> Prolonged waiting times and multiple GP visits significantly impact patient's employment, education, mental health and wellbeing.<sup>53</sup>
- 5.1.3** These gender health gaps are starker for women who experience additional intersectional disadvantage. For example, Asian women are twice as likely to die in childbirth than white women, with this figure rising to almost four times for Black women in the UK.<sup>54</sup>
- 5.1.4** In this context, we welcome the Welsh Government's forthcoming NHS Women and Girls' Health Plan, which is to be published in December 2024. It is hoped that this plan can establish the necessary infrastructure and governance to tackle these health inequalities, and it is vital that it is implemented without delay. It is important that the plan is co-produced with patients and women's health organisations. Adequate resources and support must be allocated to this work in this years' Budget to ensure that women in all areas of Wales have access to high quality and timely healthcare services.

**5.2 Employment and skills:** Due to deep-rooted gender inequality, women in Wales are more likely to be working in part-time, insecure and low-paid jobs. To address the gender inequalities in employment, the Welsh Government must reduce the barriers that women face to entering, progressing and remaining in the workplace.

- 5.2.1 Childcare:** With over a quarter of women economically inactive due to caring responsibilities, one of the biggest barriers to women's economic activity in Wales is the lack of affordable and accessible childcare provision.<sup>55</sup> As laid out in detail in Section 3.3, prohibitive costs, limited entitlements to funded provisions and and

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<sup>48</sup> Senedd Research (2024), *Women's health needs and the pursuit of equity: the absence of a dedicated plan*, <https://research.senedd.wales/research-articles/women-s-health-needs-and-the-pursuit-of-equity-the-absence-of-a-dedicated-plan/>

<sup>49</sup> Fair Treatment for the Women of Wales (FTWW), *Our Mission*, <https://www.ftww.org.uk/our-mission/>

<sup>50</sup> Senedd Research (2022), *Hormonal, emotional and irrational: Is it really the case that women's health is taken less seriously than men's?*, <https://research.senedd.wales/research-articles/hormonal-emotional-andirrational-is-it-really-the-case-that-women-s-health-is-taken-less-seriously-than-men-s/>

<sup>51</sup> Welsh Government (2022), *The Quality Statement for women and girls' health*.

<sup>52</sup> WEN Wales and Oxfam Cymru (2024), *Feminist Scorecard 2024*.

<sup>53</sup> Ibid.

<sup>54</sup> UK Women and Equalities Committee (2023), *Black maternal health*, <https://committees.parliament.uk/publications/38989/documents/191706/default/>

<sup>55</sup> WEN Wales (2024), *State of the Nation 2024*.

barriers to accessing these significantly limit women's ability to engage and progress in the labour market. The Welsh Government must urgently commit further and sustained funding to build a childcare system that meets the needs of families in Wales.

**5.2.2 Underrepresentation:** Another key contributing factor to women's economic inequality is their underrepresentation in high-paid sectors such as mining and quarrying, energy production and supply, and water supply, sewage and waste.<sup>56</sup> As highlighted in State of the Nation 2024, each of these sectors are heavily male dominated, with men making up over 70% of the workforce in each sector.<sup>57</sup>

5.2.2.1 To address these labour market disadvantages, the Welsh Government should use its upcoming budget to invest in employability programmes and interventions designed to meet the needs of women and girls in Wales and increase their representation in high-earning sectors.

**5.2.3 VAWDASV:** Recorded levels of Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) across England and Wales remain inexcusably high, with around three quarters of domestic abuse related offences and over 80% of sexual assault cases being committed against women.<sup>58</sup> Welsh Women's Aid data shows that, in the last financial year, 739 survivors in Wales were able to access refuge-based support services, while 712 survivors were not. A lack of refuge spaces has been the most common reason for this for several years.<sup>59</sup> In one survey, nearly 70% of specialist services reported an increase in demand compared with the previous year.<sup>60</sup>

5.2.3.1 To support those in urgent need of support, the Welsh Government should commit funding towards a more sustainable funding model for VAWDASV specialist services with simplified tendering and reporting process and long-term contracts.

5.2.3.2 The Welsh Government Migrant Victim of Abuse Support Fund (MVASF), launched in April 2023, offered crisis support for VAWDASV survivors with No Recourse to Public Funds (NRPF) by topping up the Home Office's Support for Migrant Victims (SMV) fund. It is critical that the Welsh Government maintains the MVASF at the year-one level as a minimum, and expands the fund to cover designated support staff as well as accommodation and living allowances.

**5.2.4 Gender budgeting:** The Welsh Government can tackle gender inequalities in all of the above areas and avoid unequal gendered impacts in its decision-making process by embedding an intersectional gendered lens in its spending and policy decisions. As noted throughout this response, to do so Welsh Government must expediate the rollout of gender budgeting. The Gender Equality Review, *Deeds Not Words* provides a clear, well-evidenced framework through which to do this.<sup>61</sup> The Welsh Government should progress the implementation of the outstanding recommendations as a matter of urgency.

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<sup>56</sup> Wales Fiscal Analysis (2023), *Labour Market Update for Wales*, [https://www.cardiff.ac.uk/\\_data/assets/pdf\\_file/0007/2779882/20230920\\_Labour-Market\\_27oct.pdf](https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779882/20230920_Labour-Market_27oct.pdf)

<sup>57</sup> WEN Wales (2024), *State of the Nation 2024*.

<sup>58</sup> Ibid.

<sup>59</sup> Welsh Women's Aid (2024), *State of the Sector 2023-24*. <https://welshwomensaid.org.uk/wp-content/uploads/2024/03/State-of-the-Sector-2023-24-FINAL-ENG.pdf>

<sup>60</sup> Ibid.

<sup>61</sup> Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*.

- 5. How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues? /How can the documentation provided by the Welsh Government alongside its Draft Budget be improved? /How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?**
- 6.1.** Our ability to scrutinise the Welsh Government's budgetary decisions from a gendered and intersectional perspective remains significantly limited by a lack of transparency and information.
- 6.1.1.** The main source of information on the rationale and impact of funding decisions published as part of the draft budget is the Strategic Integrated Impact Assessment (SIIA). The SIIA aims to identify strategic and cumulative impacts on different areas and groups, so as to reduce disproportionate impacts on any one specific group or area and help to reduce inequalities.
- 6.1.2.** This approach is, in principle, commendable, and we appreciate that the production of production of the SIIA is a complex task that recently had to be completed within very tight timescales. There is also general lack of international best practice with regards to SIIAs, which can be drawn upon to improve identified issues within the Welsh context. We therefore acknowledge the Welsh Government's commitment to improve SIIAs, and value the opportunity to contribute to this through the Budget Improvement Impact Advisory Group (BIAG). While earlier BIAG engagement resulted in some tangible improvements to the 2023-24 SIIA i.e. improved case studies and better linking of evidence to specific decisions, these developments were mostly reneged upon in the 2024-25 SIIA. In its current high-level narrative form, the SIIA has significant limitations.
- 6.1.2.1.** The SIIA does not provide information on the cumulative impact of budgetary decisions on specific groups or policy issues, including gender equality. The present format also fails to touch on all the statutory (and non-statutory) commitments that it is supposed to, including in relation to the Equality Act 2010 and the Public Sector Equality Duty.
- 6.1.2.2.** The SIIA's value for understanding the gendered impact of spending decisions is generally limited due to the lack of transparency on the information fed in from Integrated Impact Assessments and wider evidence at the portfolio level. Without any linking to IAs or other evidence substantiating the SIIA narrative conclusions, it is impossible fully understand the gendered impact of spending decisions or the extend to which they are driven by robust data and evidence.
- 6.1.3.** A further issue is that it is not always possible to cross-reference spending decision with actual budget lines, because the MEG tables do not provide enough detail. This makes it difficult to contextualise spending decisions and understand how spending has developed historically.
- 6.1.4.** More detailed information on the impact of specific spending decisions in each MEG is only published as part of the Ministerial evidence to Senedd scrutiny committees. This is after the timeframe during which civil society stakeholders can provide evidence to the Finance Committee and therefore can only inform our scrutiny work retrospectively.
- 6.2.** To facilitate better understanding and scrutiny of spending decisions, the SIIA should refer to relevant IAs and other evidence substantiating its narrative conclusions. Better linking to the MEG budget lines of specific decisions would also improve transparency. Supplementary use of case studies and tables/infographics linking to Welsh Government's statutory and non-statutory commitments would be useful to break down the otherwise high-level and wide scope of information addressed within the SIIA.

**6.3.** Incorporating gender budgeting within the Welsh budgetary process and the SIIA would raise the standard of information on which those decisions are made by ensuring that they are grounded in evidence i.e. gender and intersectionally disaggregated data. This would not only promote transparency and accountability, but also ensure that public money is being spent most effectively, and that support reaches the societal groups most in need.

**7. Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?**

**7.1.** As noted above, the precarity of the Welsh third sector is at an all-time high with over 50% of Welsh community organisations experiencing increased service demand as their income has decreased.<sup>62</sup> In the context of rising operational costs, constrained funding, severe recruitment and retention challenges as well as cuts to government support, the future ability of the sector to deliver its essential services is uncertain.<sup>63</sup>

**7.2.** The impact on the women's sector is especially severe, as it is already seriously underfunded. Research by the Rosa Foundation showed that only 1.8% of the total grants awarded to charities in the UK in 2021 went to women and girls focused activity.<sup>64</sup> Such uncertainty around funding makes it incredibly difficult to plan strategically for the future, with the incredibly sad loss of Chwarae Teg evidencing the consequences of these pressures. Worryingly, the precarity of the Welsh third sector will now be compounded by the rise in employer National Insurance Contributions announced in the UK Government's Autumn Budget 2024. As noted by the WCVA, this represents 'a significant new cost that many organisations simply cannot absorb without a corresponding impact on their service delivery.'<sup>65</sup>

**7.3.** To counteract the alarming loss and expertise in the Welsh third sector and support its predominantly female workforce, Welsh Government must take urgent action to protect the sustainability of the sector. We therefore urge the Welsh Government to mitigate the impacts of employer National Insurance Contributions by uplifting funding for the third sector and voluntary organisations in Wales.

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<sup>62</sup> Building Communities Trust (BCT) (2024), *Beyond Essentials: Community Responses to the Cost of Living Crisis*, <https://static1.squarespace.com/static/62554a379dc7e96b0ee4c256/t/665f053ece4b1b4d69c39739/1717503298830/Beyond+Essentials.pdf>

<sup>63</sup> WCVA (2023), *The aftermath of an afterthought*.

<sup>64</sup> Rosa (2023), *Mapping the UK Women and Girls Sector and its Funding: Where Does the Money Go?* <https://rosauk.org/wp-content/uploads/2023/04/Women-and-Girls-Sector-Research-Mapping-ReportAmended.pdf>

<sup>65</sup> WCVA (2024), *Open letter to the new cabinet*, <https://wcva.cymru/open-letter-to-the-new-cabinet/>