



## **A Child's Portion? Reviewing Public Expenditure on Children in Wales**

### **Background**

In 1999, the UK government established devolved administrations in Wales and Scotland. The devolution settlement provided for an elected National Assembly in Wales with considerable powers over policies and budgets relating to health, education, housing, environment and transport. The Welsh Assembly has no powers to make primary legislation or raise taxes but it allocates funds made available to Wales from the UK Treasury and sets priorities for Wales. Taxation and benefits policy is still centrally determined as are criminal justice and immigration policies.

Despite the limits of the devolution settlement, the Assembly has already demonstrated that it can and will develop 'made-in-Wales' policies to guide the development of public services in response to the specific needs of the people of Wales. This year the Assembly allocated its budget of £11 Billion on its own priorities, steering a different course to its dominant neighbour (England) on a number of key issues for children and young people including financial support for students in post-school education; health prescription charges for young people; comprehensive school education.

### **A New Era of Governance in Wales?**

Devolution in Wales has heralded a new, more inclusive approach to governance in Wales. The Assembly has been keen to work with the NGO sector in developing its new structures and policies and over the last four years, Save the Children has worked with other NGO's to make good use of the many advocacy opportunities available. As well as lobbying the Assembly to develop particular policies that can support the realisation of children's rights under the United Nations Convention on the Rights of the Child, Save the Children has been particularly keen to allocate its limited advocacy resources to lobby the Assembly to establish effective government structures for children.

We have taken the view that at this formative stage of the new devolved arrangements, work to establish truly effective structures that promote the rights of children and ensure children's 'visibility' and participation in all matters affecting them, is likely to yield more sustainable benefits for children in Wales in the longer term. Government structures to protect and promote children's rights will include: an independent children's commissioner; a ministerial cross cutting committee on children; child impact statements and a children's budget.

From: Where's the Money Going? Monitoring government and donor budgets (Save the Children, 2004)

We have had considerable success in advocating for such structures within the new Assembly. Early on in its first term, the National Assembly endorsed the United Nations Convention on the Rights of the Child. The Welsh Assembly Government has stated that the Convention will be used as a guide 'underpinning all its dealings with children'. Wales has the UK's first independent Commissioner for children and the Assembly is funding a children and young people's assembly – *Funky Dragon*<sup>1</sup>, which is enabling children and young people to have a voice in the way Wales is governed.

These examples have the potential to bring about significant changes in Wales as children's own views and experiences are to be given credence and status in policy and service development at all levels of government. To date, we have been less successful in persuading the Assembly to establish systems for child proofing all its policies or a children's budget. A children's budget would set out estimates of the proportions and amounts directed to the children of Wales. It would make budgetary decisions affecting children more visible and transparent and the Government of Wales more accountable.

As part of our on-going campaign on this issue and also as part of a wider project to explore the impact of devolution and the new government structures on the reality for children and young people, in 2002 we commissioned a review of public expenditure on children in Wales. We were keen to assess to what extent the priority children's rights has been afforded in the Assembly Government's policy agenda is backed up by money to deliver improved services and address the many obstacles faced by the most disadvantaged and vulnerable children in Wales.

With one in three children in Wales living in poverty<sup>2</sup>, Wales has one of the highest rates of child poverty in Europe. Article 4 of the United Convention on the Rights of the Child obliges governments to fulfil children's rights to the 'maximum extent of their available resources'. The lack of transparency in public expenditure on children meant that it was not possible to tell without more detailed analysis, whether the Welsh Assembly Government was using available resources to the maximum extent to fulfil children's rights under the Convention.

### **Parameters of the review of public expenditure on children**

The purpose of the review of public expenditure on children in Wales was to support Save the Children's advocacy work in the short and long-term, by:

- Establishing base-lines by which we can assess future trends in public expenditure and budget allocations;

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<sup>1</sup> The dragon is the national emblem of Wales

<sup>2</sup> Bradshaw, J., 2002, *The Wellbeing of Children in the UK*, Save the Children/ York University. Measured as living below 60% of the median income

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- Providing information on trends in government spending and the impact of devolution on public expenditure on children;
- Providing evidence to support the case for establishing a children's budget in Wales.

Following discussions with the consultant on the availability of data and analysis techniques, the following objectives were specified:

- To review what was spent on children's services including those within health, social services and education from 1996-2001 in Wales at both a local authority and all-Wales level.
- To review, where possible, the impact of other budgetary allocations as they affect children in Wales, for example decisions regarding government spending on housing and transport.
- To identify trends in public expenditure as it affects children living in Wales over the pre- and post devolution period.
- To provide, where possible, comparative information with other parts of the UK (particularly England and Scotland)

## **Findings**

The review showed some pleasing trends in the level of public expenditure on children in Wales. It illustrated a growth in spending on children over the period 1996/97 – 2000/1. As well as an increase in spending on education over the period, there has been a significant increase in the share of the social services budget spent on children in Wales. However, the study also raises more questions. It illustrates substantial variations in the levels of spending between local authorities and health authorities not all of which seem attributable to demographic and socio-economic factors. It also highlights the difficulties in accessing information on public spending on children particularly in non-children specific services.

Unfortunately, the time lapse with the availability of statistical data means that the review was unable to provide evidence of the impact of the new Assembly on budgetary decisions as they affect children and young people in Wales. The latest year available for analysis was 2000/2001 – too early in the life of the Assembly to discern any attributable changes. The analysis did however illustrate an upward trend on spending on children in Wales. Initiated by the Labour Government (UK) in 1997, this trend appears to have been followed through by the early budget decisions of the new Assembly. Further analysis is required as fiscal data for subsequent years becomes available. Moreover, the report provides some base lines by which we can assess future trends in public expenditure and budget allocations.

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Inevitably, there were some gaps in the analysis, because the necessary information is not published or is not collected in a consistent way over time. For some services, it is relatively straightforward to apportion public spending on children. Services, such as schools, are only for children, whilst for some services, such as social care, children's services are clearly delineated from services for other client groups. But, in other cases, it is much harder to determine exactly how much is spent on children. Some services are provided to whole areas (e.g. open spaces, economic development), or even whole countries (e.g. defence, national heritage), so it is difficult to apportion spending in the same way. Housing services are provided to households, rather than individuals, and so are in a 'grey' area. Other services, such as health care, are mostly person-specific (except maybe public health), but children's services are not always clearly delineated, as they are for social care. We know, for example, how much is spent on in-patient care in National Health Service hospitals, but we can only estimate how much of this is spent on children because the facilities and many of the staff are 'shared'.

It is also proved difficult to identify broad comparators. The report usefully provides comparisons where possible with spending in Scotland and England but inconsistencies in measurement and data collection made it impossible to provide comparisons across other European countries, as we would have liked.

### **Using the review to achieve change for children**

Save the Children is using the report to push the case for establishing a children's budget in Wales. The United Nations Committee on the Rights of the Child recently expressed concern about the high levels of children living in poverty across the UK<sup>3</sup>. The Committee welcomed government efforts to eradicate child poverty, but noted that the UK is not spending the 'maximum extent of resources' on eradicating child poverty. The Committee called for an analysis of budgets available for children across government – to show the proportion spent on children, to identify priorities and to allocate resources to the maximum extent of available resources.

Whilst our review provides useful information to assist in determining whether the Welsh Assembly Government is spending the 'the maximum extent of resources' in line with article 4, it does not provide us with sufficient information. Moreover, it highlights the gaps in information and the difficulties faced in trying to determine just what public monies are being directed to children and how these compare across administrations.

Our report, *A Child's Portion: Public Expenditure on Children In Wales* has recently been distributed to Ministers of the Welsh Assembly Government and as the Assembly returns after its summer recess we are following through with advocacy activities designed to persuade the government of the need for a children's budget.

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<sup>3</sup> Concluding observations of the Committee on the Rights of the Child: United Kingdom of Great Britain and Northern Ireland. 9/10/02.CRC/C/15/Add.188.

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(Save the Children, 2004)

Reflecting on the Assembly's stated commitment to the UN Convention we are arguing that in line with Article 4 of the Convention and in response to the Committee for the Rights of the Child's concluding observations on the last UK report, it is part of the proper business of governance to develop information bases as routine children's budgets and audits that demonstrate the way in which fiscal decisions have an impact on children's lives.

We are also planning to disseminate the report to the chief officers of the local government and health authorities<sup>4</sup> in Wales to persuade them of the need to establish children's budgets at this level.

## **Conclusions**

The review has provided us with very useful information to support our advocacy work. In terms of government spending on education, children's social services and to a lesser extent health services used by children, we now have some base lines by which we can assess future trends in public expenditure and budget allocations. We also have information on trends in government spending in Wales on these services even though disappointingly, the time lag in the publication of official series meant that we were unable at this time to provide evidence of the impact of devolution.

The report presents the evidence that is readily available on children's use of services in Wales, but this evidence is not always comprehensive or sufficient to be able to apportion spending accurately between age groups. It follows that our key advocacy target at this time is to achieve greater clarity and transparency in just what amounts and proportions of public expenditure are directed towards the children of Wales.

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<sup>4</sup> Local authorities in Wales as in England receive budget allocations from central government and raise local taxes. They commission and provide the local public services. e.g. social services, education, environmental services etc. Local health authorities or boards commission health services.