

**Pwyllgorau Cyllid
Finance Committee**



**Cynulliad National
Cenedlaethol Assembly for
Cymru Wales**

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Dear Helen Mary,

Thank you for your letter of 11 February.

The Finance Committee tends not to get involved with individual expenditure programmes because this risks straying into areas that are the responsibility of other Committees. Members are nonetheless concerned about the way in which the Government's policies are joined up and examining the expenditure across related programmes in different Departments is one way to approach this. As you say, a particular concern of the Finance Committee has been the availability of information across the board in relation to services for children.

This Finance Committee first raised the issue of expenditure on services for children with the Minister in its evidence session on 8 November 2007. **The Minister's response, received on 26 November**, was:

3.10 The Minister for Finance will provide a note to the Committee on the allocation of the £21 million consequential for Wales resulting from the new English package for disabled children.

Initiatives by the Department of Children Schools and Families (DCSF) for disabled children relate to England only. DCSF expenditure on disabled children's services in England was incorporated in the overall budget settlement for DCSF at the time of the Comprehensive Spending Review (CSR). Under the Barnett formula, Wales receives a consequential of DCSF's overall settlement, but not a consequential of individual spending initiatives. It has always been the case that the Assembly Government determines how to spend the funding it is allocated under the Barnett formula and this is a key principle of devolution.

The Assembly Government has adopted the social model of disability. This recognises that disadvantage and social exclusion stem from the barriers disabled

people face rather than from the individual's impairment. The Assembly Government is committed to ensuring that all children, including those with disabilities, are able to play a full part in the life of the community. This is reflected in the single children's plan that we now require of local and other public authorities and other bodies responsible for delivering services.

The Government is determined to see that the needs of disabled children are properly represented when local service priorities are set. The Government will monitor this very closely. The Government is also considering the findings of the audit of progress in achieving the objectives on the Nation Service Framework for Children Young People and Maternity Services. The Government is confident that local Children and Young People's Partnerships will wish to act on this information as they determine their priorities for children's services.

While there isn't a specific fund set aside specifically for disabled children, this does not mean that we are not providing support for these groups – in fact quite the opposite. The Assembly Government has, for example, made specific funding available to support disabled children and their families:

- In August 2007, the Assembly Government made available £1.5m to local authorities to help support disabled children and their families to access more short break services;
- the extra money for short break services builds on the £1m made available in 2007/08 to local authorities through CYMORTH to advance access to and development of play and leisure service for disabled children and young people;
- the new grant also complements the £4m the Welsh Assembly Government has made available to Local Authorities through the Mental Health Carers Grant to improve services for carers. An additional £1m has been provided on 2007-08 to develop contingency planning for all carers, including persons with parental responsibility for a disabled child.

Total expenditure on Special Educational Needs provision by LEAs in 2007-08 is budgeted to be £307 million. This represents an increase of 6.5% on the previous year's budget. We have allocated a further £7.7m through the local government settlement this year (2007/2008) in recognition of the increasing costs of providing for the complex needs of children with Special Educational Needs, of which £1.7m is particularly to support provision of specialist services for children with autism.

Substantial additional support has been made available to Local Authorities through a number of specific grant schemes that can be used to support pupils with SEN and disadvantaged groups. In relation to SEN these include; Better Schools Fund (£2.9m for 2008/09), Unlocking the Potential of Special Schools (£5.1 million over 3 years to 2009), Specialist Equipment for Learners with Additional Needs (£2m to 2008/09), Speech and Language Pilot Projects (£3.1m to 2008) and grants for the development of Regional Provision of Goods and Services in SEN (£9m since 2004/05). These grants have been welcomed by local authorities from across Wales.

There was a further discussion at the Committee's meeting on 27 November and subsequently, in its **report on the Government's draft budget proposals for 2008-09** (*laid 3 Dec 2007*) the Finance Committee said:

Equality Issues

37. The Finance Committee has tried to avoid getting drawn into discussions about the funding merits of one programme relative to another as others and other Committees are better placed to assess the merits of these. It has however had its attention drawn to the Statement of Opinion OPIN-2007- 0082 - Mae Plant Anabl yn Bwysig/Disabled Children Matter which has been signed by 31 Assembly members. This calls for the Welsh Assembly Government to guarantee that the £21m consequential from "Aiming High for Disabled Children: Better Support for Families" is ring fenced to support disabled children and their families in Wales. In a lengthy note to the Finance Committee, the Minister set out the basis on which Barnett 'consequentials' are handled by the Assembly and that the nature of the devolution settlement means that there is no requirement for them to be put to the services which in England generated the monies. The Finance Committee notes this point but is surprised that the Minister does not feel that a view expressed in a statement of opinion supported by so many Assembly members should have greater weight than this. **The Committee recommends that the Minister reconsiders this matter with a view to making at least the £21 million available for expenditure on disabled children's services over the next three years.**

38. Alongside this particular issue, concern was expressed in the Finance Committee about the difficulty in identifying the action being taken by the Welsh Assembly Government to address problems of child poverty. The Minister indicated that this was because the various elements of the programme were shared between a number of Departments and that it was very often difficult to identify the parts of these, and the funding that focused on child poverty. **The Finance Committee welcomes the Ministers agreement to produce an auditable analysis of the information that can be provided on these programmes and calls for this by the end of the current financial year**

42. Finally, the Finance Committee calls for clarity on the level of funding within the budget to address the serious concerns that have been expressed about support for disabled children, community safety and child poverty.

You may recall that the recommendation at Para 37 was subsequently ruled inadmissible in relation to the Committee's assessment of the Government's budget proposals – but it, nonetheless, remained a view strongly held by the Finance Committee.

The Minister for Finance and Public Service Delivery responded on 15 January 2008

38.” The Finance Committee welcomes the Minister’s agreement to produce an auditable analysis of the information that can be provided on the various elements of child poverty programmes and calls for this by the end of the current financial year. “

As I said when this matter was raise in Committee, it may be difficult to give an accurate or definitive analysis of overall spending on tackling child poverty given the cross-cutting nature of interventions in this area. My officials will investigate whether it is possible to provide such an analysis and I will respond to the Committee in due course.

On 7 Oct 2008, the Minister for Finance and Public Service Delivery wrote:

(iv) Amount spent on programmes to tackle child poverty (27 November 2007 meeting, paragraphs 201 — 209)

The Assembly Government has an extremely wide range of programmes, initiatives and activities which make a contribution to our objective of halving child poverty by 2010 and eliminating it by 2020. In addition to Assembly Government programmes and initiatives the primary objective of which is tackling child poverty and supporting disadvantaged children, like Cymorth (2008-09 budget £53m) and Flying Start (2008-09 budget £28m), there are a large number of programmes and initiatives, such as programmes to increase employment rates and improve educational attainment, which can make a significant contribution to tackling child poverty but have wider objectives. In addition, there are a large range of local authority programmes and initiatives in this area that the Assembly Government supports through the Revenue Support Grant and other funding streams. The Assembly Government has encouraged local authorities to main-stream best practice arising from the On Track project into these programmes and initiatives. As a result it is not possible at this stage to provide a robust estimate of the total amount the Assembly Government is spending on tackling child poverty.

Nevertheless, it is worth noting that poverty rates for children in Wales have fallen from 35% at the time of devolution, above the UK average, to 29% in the most recent period, below the UK average. Continuing to drive down child poverty is a key element of *One Wales*, which commits the Assembly Government to a range of new activities in this area including the establishment of an expert group to advise on how best to meet our goal of eradicating child poverty in Wales, a Child Poverty Measure to place, amongst other proposals, a duty on public agencies in Wales to demonstrate a commitment to ending child poverty, a Welsh top up to the child trust funds of children in Wales and the establishment of credit unions across Wales.

The Finance Committee raised the issue again in its **Report on the Government's draft budget proposals for 2009-10 report 2008** (*laid 4 Nov 2008*)

Para 44

Both the Equality of Opportunity and the Children and Young People scrutiny committees expressed concern that the mainstreaming of equalities and child poverty, as committed to in the One Wales document, has not occurred across portfolios. The Welsh Assembly Government's Child Poverty Implementation Plan commits to child-poverty proofing of new spending commitments. Given the current economic climate this is of increased importance, as many more children may face poverty as a result of the economic downturn. These committees also expressed concern with regard to the lack of clarity on how draft budget allocations will impact on different groups. **The Finance Committee urges the Welsh Assembly Government to continue to work on the mainstreaming of child poverty and equalities and to provide clear information on how spending commitments impact on different groups of individuals. It recommends that next year this is addressed specifically in the draft budget.**

The Minister for Finance and Public Service delivery responded in his letter of 2 Dec 2008

Paragraph 44 – “The Finance Committee urges the Welsh Assembly Government to continue to work on the mainstreaming of child poverty and equalities and to provide clear information on how spending commitments impact on different groups of individuals. It recommends that next year this is addressed specifically in the draft budget.”

I will consider the Committee's recommendation, and set out below information on current activities in relation to equality and child poverty.

Equality

Equality and diversity is integral to the work of the Welsh Assembly Government and is a statutory duty under the Government of Wales Act 2006. We are committed to the principle of mainstreaming the integration of equality of opportunity principles in strategies, actions and the everyday work of the Welsh Assembly Government. The *Inclusive Policy Making* model (equality impact assessment) is assisting joined up working and helping departments to consider how new or revised strategic policies could affect people in different ways, and provide a mechanism to remove or reduce negative impacts, or maximise opportunities to promote equality.

Child poverty

I believe that the Welsh Assembly Government is the only Government in the UK to make available information on the proportion of the Welsh Assembly Government budget which benefits children and young people.

The Welsh Assembly Government's child poverty strategy, *A Fair Future for our Children*, was launched in February 2005. The Strategy reaffirms the Welsh Assembly Government's commitment to do what it can to eradicate child poverty by 2020 and to halve child poverty by 2010, compared with 1997 figures. The approach adopted by the Strategy is informed by the findings of, and consultation on, the report of the 2004 independent Child Poverty Task Group.

Eradicating Child Poverty in Wales – Measuring Success, published in 2006, provides a strategic framework for the cross cutting work required to tackle child poverty. The *Child Poverty Implementation Plan* and associated milestones and targets paper sets out specific solutions and actions to integrate policies and programmes to eradicate child poverty in

Wales by 2020, building on existing anti-poverty programmes such as Flying Start, Cymorth and Communities First.

The 'One Wales' agreement re-commits the Welsh Assembly Government to doing what it can to halve Child Poverty by 2010 and to eradicate it by 2020. This will be achieved through the development of Wales-specific solutions and through the integration of Assembly Government strategies with UK Government programmes. 'One Wales' also includes a number of new commitments specifically aimed at tackling child poverty and adding impetus to the effort to reach the challenging child poverty targets.

The Minister for Social Justice and Local Government announced a three strand approach in February 2008:

Strand 1 - Improving life opportunities for disadvantaged children;

Strand 2 - Financial inclusion initiatives; and

Strand 3 - Encouraging greater uptake of the UK Government tax and benefits support.

A further written statement made in July 2008 provided an update on recent key developments as they relate to the Welsh Assembly Government's child poverty agenda.

Significant funding is already being spent on policies and initiatives that contribute towards tackling child poverty. For example:

£160 million is being invested in the Cymorth programme over the next three years;

£89 million is being made available through Flying Start over the next three years;

£32 million is being invested in the Want2Work project to help people into employment, with a further £12 million being available in East Wales;

£5 million a year is being provided for free swimming in Wales;

£5 million will be invested in a Welsh premium to the Child Trust Fund between 2009 and 2011;

£3 million is being made available to increase the take-up of council tax benefit and housing benefit; and

£70 million for Genesis Cymru Wales 2 to tackle many of the major barriers unemployed people face, including childcare.

Further, "Eradicating Child Poverty in Wales: Child Poverty Milestones and Targets Update 2008" statistical bulletin was published on Tuesday 25 November 2008. The bulletin

provides an update of the data included in the Assembly Government's Child Poverty milestones and targets set out in '*Eradicating Child Poverty in Wales: Measuring Success*', published in October 2006. This paper contained a range of cross cutting targets and milestones covering the policy areas of Income and Work, Education, Health and Housing.

An update of the child poverty milestones and targets was published on 20 November 2008 as part of the Children and Young People Well-being Monitor for Wales.

The Chair of the Finance Committee responded in a letter dated 26 Jan 2009

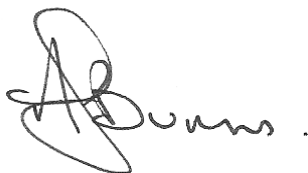
Thank you for your detailed response to the Finance Committee report on the Welsh Assembly Government draft budget 2009-10. The Committee found the response to be extremely useful in clarifying the various points that we raised.

At the Finance Committee meeting on 14 January, the Committee considered your response and resolved to seek further details regarding on how you will ensure adequate provision is made in the budget for mainstreaming of equality and child poverty considerations. I would be grateful if you could also set out how you intend to build on progress in these areas in the next budget, 2010-2011.

The Minister acknowledged this letter on 19 February but we are still awaiting a substantive reply.

I hope this is helpful to your Committee. There is also fuller information available in the ROPs of the various meetings referred to. John Grimes, the Finance Committee's clerk, would be happy to point your clerk to these and any of the other documents referred to if this would be helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Angela Burns', with a stylized flourish at the end.

Angela Burns
Chair, Finance Committee