

Agenda – Children, Young People and Education Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Llinos Madeley
Meeting date: 15 November 2018	Committee Clerk
Meeting time: 13.30	0300 200 6565
	SeneddCYPE@assembly.wales

Concurrent meeting of the Finance Committee, Children, Young People and Education Committee and the Equality, Local Government and Communities Committee

- 1 Introductions, apologies, substitutions and declarations of interest**
- 2 Welsh Government Draft Budget 2019–20: Impact assessments accompanying draft budgets (Evidence session 1)**
(13.30–14.10) (Pages 1 – 38)

Professor Sally Holland, Children’s Commissioner for Wales

Rachel Thomas, Head of Policy and Public Affairs, Children’s Commissioner for Wales

Ruth Coombs, Head of Wales, Equality and Human Rights Commission

Attached documents:

Paper 1 – Written evidence: Children’s Commissioner for Wales

Paper 2 – Written evidence: Equality and Human Rights Commission

Research Brief



Break: 14.10–14.15

(14.10–14.15)

3 Welsh Government Draft Budget 2019–20: Impact assessments accompanying draft budgets (Evidence session 2)

(14.15–15.15)

(Pages 39 – 48)

Mark Drakeford AM, Cabinet Secretary for Finance

Julie James AM, Leader of the House and Chief Whip

Andrew Jeffreys, Director, Treasury, Welsh Government

Matt Wellington, Head of Programme for Government Reporting and Analysis,
Welsh Government

Paul Dear, Head of Equality, Welsh Government

Anthony Jordan, Head of Programme and Legislative Implementation

Attached document:

Paper 3 – Evidence paper from the Welsh Government

4 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting

(15.15)

5 Welsh Government Draft Budget 2019–20: Impact assessments accompanying draft budgets (Consideration of evidence)

(15.15–15.30)



Comisiynydd Plant Cymru Children's Commissioner for Wales

Ymateb i Ymgynghoriad / Consultation Response

Date / Dyddiad: 31st October 2018

Subject / Pwnc: Scrutiny of the draft budget for 2019/20 and impact assessments

Background information about the Children's Commissioner for Wales

The Children's Commissioner for Wales' principal aim is to safeguard and promote the rights and welfare of children. In exercising their functions, the Commissioner must have regard to the United Nations Convention on the Rights of the Child (UNCRC). The Commissioner's remit covers all areas of the devolved powers of the National Assembly for Wales that affect children's rights and welfare.

The UNCRC is an international human rights treaty that applies to all children and young people up to the age of 18. The Welsh Government has adopted the UNCRC as the basis of all policy making for children and young people and the Rights of Children and Young Persons (Wales) Measure 2011 places a duty on Welsh Ministers, in exercising their functions, to have 'due regard' to the UNCRC.

This response is not confidential.

This written submission has been prepared to inform the concurrent Committee sessions for the Finance Committee, Children Young People and Education Committee and Equality Local Government and Communities Committee on 15th November 2018.

I understand that the purpose of the meeting is to discuss the Welsh Government's impact assessments for its draft budget, so I have focused on impact assessments in relation to children's rights within my response. I have picked out particular aspects of the 2019-20 budget to illustrate my points but my response also covers the following general points:

- Due regard to the UNCRC
- Children's Rights Impact Assessments
- UN Committee on the Rights of the Child and General Comment 19 on public budgets
- Children's Budgeting in Wales
- A Children's Rights Approach.

My submission covers international and national expectations around children and participatory budgeting, and seeks to highlight areas where I feel unfortunately these expectations have not been met in the last two years' budget processes.

The key points I will cover are:

- There does not appear to have been progress around the prominence of children and children's rights within the budget considerations;
- There is a lack of analytical evidence in the form of Children's Rights Impact Assessments to show whether children are better or worse off as a result of the budget decisions; and
- Due regard to Children's Rights in exercising Ministerial functions is a legislative requirement and not an 'optional extra'.

Due regard to the UNCRC

As Children's Commissioner for Wales, my legislative remit requires me to have regard to the United Nations Convention on the Rights of the Child (UNCRC) when exercising my functions. Similarly there is a duty on all Welsh Ministers to have due regard to the UNCRC when exercising their functions, under Section 1 of the Rights of Children and Young Persons (Wales) Measure 2011. Whilst the Committee scrutiny session on 15th November 2018 will look at impact assessments in the broadest terms, my contribution to that session is necessarily contained to issues affecting children and the UNCRC.

The Children's Rights Scheme 2014 which sits underneath the above named Measure sets out the arrangements for the Welsh Government to have due regard to the UNCRC when exercising functions. Children's rights impact assessments (CRIA) were a key focus of attention when preparing the scheme, and are described as "the process for providing the evidence that children's rights are being analysed and considered with appropriate rigour in our work." The Scheme contains process flowcharts towards the end at Annex 1, which take officials through a series of questions to consider whether or not a CRIA is required to be completed. Questions include whether advice is being offered to a Minister or whether they are carrying out ministerial functions, and whether or not the decision is "relevant to young people". The flowcharts require officials when submitting advice to ministers to confirm that due regard has been given to the UNCRC.

The Scheme sets out the following arrangements in order that Ministers may evidence their compliance:

- putting a Children's Rights Impact Assessment (CRIA) process in place;
- setting out Accountability and Compliance mechanisms;
- providing information and guidance on how Welsh Ministers may be held to account for compliance with the due regard duty.

In recognition of other legal duties and assessments, the Scheme makes clear that Welsh Ministers will align the CRIA process and afford it "adequate prominence" with other assessment requirements. They state that should the wider arrangements be reviewed or amended, "Ministers will ensure that the duty is fully considered and that there is no retrogression in the application of the due regard to the UNCRC".

The Scheme requires reports to be produced at periodic intervals of 2.5 years, to demonstrate compliance with the scheme and the duty of due regard. The 2018 Compliance Report indicated that "it is now time to reflect on the progress made in relation to children's rights, and review the Scheme to bring it up to date." The proposal was to increase the focus on outcomes and changes for children and young people rather than just measuring outputs. It was proposed that the work would be completed by the end of 2018, and that it would be carried out in consultation with children and young people, the Children's Commissioner for Wales and other stakeholder groups. Any changes would require approval by Assembly Members. To date this work has not progressed.

However, in the meantime, the Welsh Government has introduced their Strategic Integrated Impact Assessment (SIIA). The SIIA has been used for the budget process since 2015 and a further SIIA has been published alongside the 2019-20 draft budget proposals on 2nd October 2018. We are aware that SIIA have now been rolled out across the Government, so all new policy and legislative proposals should now be subject to a SIIA rather than individual impact assessments.

Children’s Rights Impact Assessments (CRIA)

Children’s Rights Impact Assessments (CRIA) are recognised internationally as a key mechanism to ‘operationalise’ the UNCRC and its guiding principle of best interest. A CRIA would therefore consider the potential impact that any proposed policy, legislation, budget or change in administrative services could have on children and their rights, prior to enactment or implementation. This process is said to help ensure effective protection and realisation of rights, and to avoid any adverse impact.

The CRIA template used by the Welsh Government follows a six stage process:

Step 1- What is the piece of work and its objective(s)?

Step 2 - Analysing the impact.

Step 3 - How does the work support and promote children’s rights?

Step 4 - Advising the Minister and Ministerial decision.

Step 5 - Recording and communicating the outcome.

Step 6 - Revisiting the piece of work as and when needed

In his 2015 evaluation report on the CRIA procedure in Wales, Simon Hoffman from the Observatory on children’s human rights at Swansea University stated that “[t]he six-step CRIA is a contribution to embedding children’s rights in the legislative and policy-making processes of the Welsh Government.” The evaluation report recommended amending the CRIA template because “particular attention needs to be given to strengthening guidance to direct attention to possible discriminatory impacts of a proposal and the need to consult with children and young people (or other relevant stakeholders).”

The evaluation report made a number of recommendations, intended to strengthen and extend existing work around CRIA and embed the use of CRIA earlier within the policy making process.

A 2017 UNICEF CRIA briefing for Wales reflects that although CRIA are not mandatory in Wales, it is seen as a primary tool for delivering Ministerial duties on children’s rights. The intention is for them to be completed early in the policy development process, to inform the direction of each policy and legislative proposal. However where they have been drafted too late in the policy process, UNICEF observed that CRIA became “one-off products drafted to record and communicate decisions rather than to inform them.”

CRIA need to be done well in order to make a difference and contribute positively to policy development. CRIA should also be produced across government departments and should seek to include the direct views of children and young people.

Despite there being areas where improvements could be made, Wales was considered to be the leader on CRIA use in the UK, according to the UNICEF work.

UNICEF UK recommended that Welsh Government:

1. Evaluate the pilot of the revised CRIA template and guidance.
2. Revise the mandatory child rights training for Welsh Government officials, and develop a second tier training programme to support the use of CRIA as a policy development and improvement tool.
3. Introduce systematic CRC and CRIA awareness raising sessions for all Ministers and senior civil servants.
4. Ensure that the Implementation Team is sufficiently resourced to support colleagues across government in undertaking high quality CRIA, including in enabling colleagues to recognise and plan for any resource implications of the CRIA process.
5. Make all CRIAs publicly available, highlighting examples of best practice.
6. Consider ways to link CRIAs relating to specific policies (for example, those produced at consultation, then Bill, then draft regulation stages) to provide a record of how that policy has changed to better promote, respect and protect children's rights.
7. Explore the use of a multi-agency, co-production approach to CRIA which involves external experts, including the distinct role that the Welsh Government's Child Rights Advisory Group could play in supporting the development of individual CRIA.
8. Consider how to use Welsh Government's experience of undertaking CRIA at the national level to promote similar practices at the local level.
9. Share good practice and expertise across the four UK jurisdictions on making effective use of CRIA to improve outcomes for children.

Whilst CRIA are available on request, they are not all 'publically available'. Further, the introduction of SIIA does not require the publication of a CRIA in every case. Only sections 1 and 7 of the SIIA are expected to be published; children's rights sit within section 2. This means that, should an official decide that a full CRIA is not required to be completed, they will not have to publish their reasoning for this. It is also unclear whether, if a full CRIA is completed alongside the SIIA, it will be automatically published.

UN Committee on the Rights of the Child

Article 4 of the UNCRC states the following:

States Parties shall undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention. With regard to economic, social and cultural rights, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.

The United Nations Committee on the Rights of the Child has produced a number of General Comments on issues related to children's rights. In 2016 the Committee published General comment No. 19 (2016) on public budgeting for the realization of children's rights (art. 4) ("GC 19"). It is intended to assist states in the implementation of article 4 in relation to public budgets.

The messages gathered from 2,693 children from 71 countries to feed into this general comment included the following:

- (a) Plan well. There should be enough money in the budget to provide for all rights of children;
- (b) It is impossible for you to invest in us if you do not ask us what to invest in! We know; you should ask;
- (c) Do not forget to include children with special needs in your budgets;
- (d) Spend money fairly and wisely. Don't spend our money on something that is useless — be efficient, save money;
- (e) Investing in children is a long-term investment, and it generates a lot, so remember to think of it;
- (f) Investment in our families is also an important way of securing our rights;
- (g) Make sure there is no corruption;
- (h) Recognize the rights of all citizens, both young and old, by listening to people's opinions on matters of governance;
- (i) I would like the Government to be more accountable and transparent;
- (j) Publish records of how the money is spent;
- (k) Provide budget information to all children in ways that are easily understood and in media that are popular with children, like social media.

The wording of Article 4 (shall undertake) indicates that this is not optional, and GC 19 notes that all government branches, levels and structures that play a role in devising public budgets shall exercise their functions in a way that is consistent with the Convention.

GC 19 also highlights the four core principles of non-discrimination (article 2), best interests of the child (article 3), right to life, survival and development (article 6) and right to be heard (article 12).

In order for the budget process to be effective, “States parties should constantly assess how budgets affect different groups of children and ensure that their budget decisions lead to the best possible outcomes for the largest number of children, paying special attention to children in vulnerable situations.”

In terms of equity, this “does not always mean spending the same amount on each child, but rather making spending decisions that lead to substantive equality among children. Resources should be fairly targeted to promote equality. States parties are obliged to remove all discriminatory barriers that children may face in accessing their rights.”

Budgets should also be efficient, sustainable and transparent. Transparency is considered “a prerequisite for enabling meaningful participation of the executive, legislatures and civil society, including children, in the budget process.” It is also noted within GC 19 that reflection and audit of the impact of previous decisions is important in order to inform future decision making.

Children’s Budgeting

In October 2009 the then Children, Young People and Education Committee concluded their focused inquiry on children’s budgeting by publishing their report Children’s Budgeting in Wales. In her foreword as Chair of the Committee, Helen Mary Jones stated that children’s budgeting is all about “examining the resources that national and local government allocate to policies and services that affect children and young people, assessing the impact they have, and looking at whether these adequately reflect the needs of children and young people.” At that time Wales was recognised as a lead across the UK having initiated some work around this, but by the Government’s own admission it was “early days”.

The Committee initiated their inquiry due to their concerns that “the ways in which budgets are constructed in Wales made it difficult for us to effectively examine the Welsh Government’s expenditure on children and young people.”

The report made 11 recommendations, around published strategies and action plans for children, statutory guidance on data collection and production of children and young people’s budget statements, monitoring, participation and

improving the information available to the public. The key recommendation (recommendation 4) was for the Welsh Government to produce their own children and young people's budget statement.

In their final substantive response to the Inquiry, in November 2010, the Welsh Government recognised the Committee's concerns, and accepted many of the recommendations, particularly on the publication of children and young people's budget statements and participation. At that time the Government also identified additional benefits of children's budgeting, for example in helping to meet the target to eradicate child poverty by 2020 (a target that has since been abandoned).

I became the Children's Commissioner for Wales in April 2015; in this time I have not seen a single example of a Children and Young People's Budget Statement from the Welsh Government. In addition, the impact assessments for the budget have all been SIIA in this time, despite the Government committing to undertake further work around children's budgeting.

The response also refers to Children and Young People's Plans; these have since been abolished with no replacement or similar requirement created.

The last published Welsh Assembly Government and local authority expenditure - Population group analysis (presenting information on the proportion of budget spent on those aged 0-17, 18-25, 26-64 and those aged 65 and over) is dated 28 July 2010, despite the government committing to revisiting this process every three years.

A Children's Rights Approach

In 2016 I published a guide for all public bodies (including the Welsh Government) on a children's rights approach, entitled The Right Way.

The five principles of a Children's Rights Approach are:

- Embedding children's rights
- Equality and Non-discrimination
- Empowering children
- Participation
- Accountability.

Embedding a children's rights approach includes ensuring that "[p]olicy, procedures and actions, as well as budgets should all be developed and implemented taking into account their impact on children's rights. It should be clear and transparent where children's rights have been taken into account."

Examples of this include developing and making use of performance indicators which reflect children's rights (e.g. should be incorporated in business planning, budgeting and other strategic planning); and children's rights impact assessment i.e. the proofing of any policy and budgetary decisions for their direct or indirect impact on children (or children's rights assessment integrated into Equality Impact Assessment).

Use of CRIA can also help to support equality and non-discrimination, by ensuring that children are involved in the proofing of all budgetary decisions that have a direct or indirect impact on them. In order to do so information needs to be provided to children and young people in a suitable format. Providing opportunities for children and young people to contribute to this process will be empowering in itself, but empowerment can also be extended if you ensure that resources are identified in budgets to support education, training and development opportunities for children, and participation.

Our guide highlights a case study example from the City and County of Swansea. More than 100 children and young people (aged 7 to 18) were invited from local primary and secondary schools to participate in the Council's Big Budget conversation. This was the Council's third annual budget consultation with children and young people in the city. Participation was initiated by city officials as part of a broad policy of giving due regard to the UNCRC in policy-making. Council officials developed consultation tools to engage with a total of 114 pupils from primary and secondary schools in advance of the budget. For example, one workshop presented participants with ten budget headings with resources allocated to each. Participants were asked to consider what they would do as the Council if they had to cut 20 percent of the budget. Participants described their rationale for any suggested cuts, or for protecting spending in some areas. The Council asked in this consultation for children and young people's advice on what to prioritise as the Council reduced the overall budget. It is an example of how children can be involved in decision-making processes where resources are constrained and may not be available for the promotion of children's rights, but where the realisation of children's rights could be better achieved through redirecting or retaining funding for particular services.

The final principle of accountability is important as it can often be overlooked. Accountability can be achieved by encouraging independent monitoring of performance against children's rights standards, including by involving children in monitoring and/or external review/inspection. Public services should be accountable to all those who use them, which includes children and young people.

2019/20 Budget

This year's budget has been prepared in the context of the Well-being of Future Generations (Wales) Act 2015. While I welcome the consideration of policy lines alongside each other under the headings from *Prosperity for All* rather than under Ministerial portfolios this year, there still does not appear to have been strong consideration for children's rights and the impact on children of particular decisions. This legislation is not directly linked to human rights treaties and obligations, and therefore using this as the approach for budget considerations can unfortunately result in rights being overlooked.

Whilst the Well-being of Future Generations (Wales) Act complements many of the aims of children's rights, it does not directly use rights based language. Participation is one example where the terminology aligns; it is important that there is transparency in the budget papers to ensure meaningful participation. The draft budget refers to Participative Budgeting but it is unclear exactly how this has taken place, particularly with children and young people. The narrative refers to explaining the budget process to different groups when the opportunities arise but it doesn't say a great deal beyond that and doesn't mention children at all.

As noted above, a SIIA has been published together with the draft budget, rather than individual impact assessments. Whilst there are mentions of different articles of the UNCRC within that document, I was disappointed to see that these appear to have been used to back up the particular decisions and allocations that have been made rather than analysing the impact of different options. The narrative of the impact assessment (contained within the budget narrative, not published separately) does not follow the questions set out within the government's SIIA guidance on children's rights, nor does it follow the six stage process for CRIA noted above. It is therefore difficult to ascertain exactly how this process has been undertaken in line with the government's own guidance.

Here are some examples where I feel that the analysis is poor or lacking. I should make clear that I do not disagree with allocating funding to particular groups that may be highlighted, but it isn't possible to see the analysis of options within these parts.

The PDG Access programme is stated to "meet the UNCRC" with reference to Articles 26 and 29. Whilst both of these articles are relevant in this area as they relate to additional funding, and young people being able to achieve their full potential through education, it cannot be stated that the provision of £125 to pupils at Reception age and the start of secondary school "meets" the UNCRC. Without analysing the current cost of school uniforms, sports equipment and costs associated with membership of external clubs and societies, it is impossible to state that this funding therefore meets those obligations. There is also no analysis of the impact on children whose family income may be just above the level that makes them eligible for this grant, yet who would still be recognised as living in

poverty using standard measures. It could be said to uphold some of the principles of Articles 26 and 29, but a blanket statement that those articles are somehow completed via this policy cannot be supported.

Within the draft budget narrative, this grant was described as covering articles 26, 27 and 30. There is undeniably a link between the participation in clubs/societies or sporting activities and positive mental health, this is far too simplistic and doesn't take account of whether or not the funding is sufficient for families to afford uniform plus sports kit, subscriptions for clubs, getting to training, attending away matches and competitions.

The full budget narrative refers to £1m additional funding for age 16-18 concessionary travel, which has been "reprioritised" to enhance the existing scheme. Unfortunately as the details of the new scheme are now overdue (expected Sept 2018) it is difficult to understand how this will enhance the scheme. It is therefore impossible to analyse the *impact* of this albeit welcome funding. The funding for free school meals falls into a similar category; there was a consultation in September 2018 about the threshold level for free school meals in the context of Universal Credit. Despite the fact that the response to this consultation has not yet been published, by 2nd October when the draft budget was published, the figures included were based on the consultation proposals. It is unfortunate that the consultation was timed for this period when the results could not possibly feed into consideration of the draft budget. This makes the consultation exercise appear less meaningful as it implies there is no intention to alter the thresholds set despite asking respondents to consider this.

The majority of the SIIA justifies each spending decision relating to children by referencing a UNCRC article. Without any wider strategic statement that explains the government's aims in relation to children's policy, or more comprehensive analysis made available to the public on potential impact of each area of funding on different groups of children, there is a risk that this becomes an overly simple equation. For example, as there is additional funding being provided for mental health support, this is seen to satisfy Article 24. Funding for the All Wales School Liaison Programme (School Beat) has been restored and referenced in this context as protecting children from dangerous drugs under Article 33. I should state that I am extremely pleased that this funding stream has been restored following concerns during the year that it may disappear. I do not think, however, that this description does justice to the broad range of work included in the programme. This simplistic analysis risks a misunderstanding of the value of this work and therefore could place it in jeopardy for future years.

Many areas of concern were raised in relation to last year's budget, due to a lack of clarity and transparency. These include the School Beat Funding, the Minority Ethnic Achievement Grant or MEAG, and the school uniform grant. In relation to MEAG, I have recently been contacted by the Neath Port Talbot Youth Council, expressing concerns about how the Education Improvement Grant will affect the Minority Ethnic Services (MEAS) and also the Traveller

Education Service (TES). They were worried that putting all of the grants into one funding pot may risk not reaching all of the different vulnerable groups who would really benefit from this to support educational attainment. The youth council had written to the Cabinet Secretary for Education with their concerns and had asked whether or not a CRIA had been undertaken. The response referred to an integrated approach to impact assessment but went no further to explain how the impact had been considered in relation to these funding streams. The Government had committed to reviewing the Education Improvement Grant in their [response](#) to the CYPE Committee inquiry on the EIG, but we are not aware that this has taken place. The Committee's own view about an amalgamated grant covering outcomes for all learners was that it would be "over-ambitious and unrealistic to expect that a focus on all pupils, even generally on those from deprived backgrounds as measured by eligibility for free school meals, will trickle down sufficiently to specific groups of learners such as Gypsy, Roma and Traveller children and all of the different ethnic groups we have in Wales."

Also within this year's budget there is a notable cut of £5m from the budget previously allocated to the childcare offer. Whilst a CRIA was produced to coincide with publication of the Childcare Funding (Wales) Bill, the CRIA took the approach of measuring the impact of the children who were included in the Offer only. My [written](#) and [oral](#) evidence to the CYPE Committee at Stage 1 of this Bill highlighted that this is not the correct approach for impact assessments. Whilst I am aware that specific commitments were made within the Labour party manifesto for the 2016 election around eligibility for the offer, it is clear to me that a CRIA of that option should have identified significant groups that would be further disadvantaged by exclusion from the Offer, such as children whose parents are not in work, and younger children. The position on this Offer is such that, despite a CRIA having been completed, the actual Offer that is going forward is perpetuating disadvantage rather than seeking to mitigate the circumstances and level the playing field for those children from disadvantaged backgrounds. Further, due to lack of take up during the pilot phase, money is now being removed from this budget line for 2019-20. There is no available evidence as to any considerations around extension of the offer due to additional money being available.

This to me highlights the importance of CRIA being completed at the outset of policy development, to *inform* the policy direction rather than *confirm* that the policy is compliant with rights simply by mentioning rights in the context of the children who have been included only. Decisions to allocate funding, whether for an entirely new pot of funding, cutting previous funding levels or amalgamating a number of grants, are all examples of Ministers exercising their functions. As such I would expect a CRIA to be completed in relation to those decisions and published alongside the budget (or record of the decision if this is taken outside of the budget round). In relation to general policy or legislative decisions, I would expect the CRIA to be completed as part of the broader policy development, and the associated budget to then be clearly linked back to that work as opposed to the CRIA being undertaken once the extent, scope and funding have already been decided upon.

Had a CRIA been undertaken in relation to the budget decision making, I would have expected this point to at least have been identified and considered. As it is, children's rights appear to be an 'add-on' within this budget, as seems to have been the case for a number of years, rather than part of the analysis that led to the budgetary decisions in the first place. If children's rights *were* more integrated into the process this year, then this is not evidenced in the publically available documents.

Summary of the approach in Wales

This submission aims to highlight the dichotomy between the narrative in Wales around children's rights being part of all of the business of government and the reality that at present, impact assessments are not taking account of children's rights in a detailed, open and transparent manner. The result of this is that, unfortunately, it is difficult to identify how Ministers have met their duties under the Measure.

For impact assessments in general, it is not intended that policies should be created and then impact assessments are written to 'fit' around the policies that have already been decided upon.

The evidence within this paper picks up the expectations from Wales and from international perspectives around children's rights and public budgets. Unfortunately I would have to conclude that Wales appears not to have made progress on this, despite the introduction of the Rights of Children and Young Persons (Wales) Measure 2011 and the Children's Scheme 2014. The use of SIIA appears to have weakened the position on children's rights being actively considered as part of decision making processes. This is despite the statements within the Government's own Children's Rights Scheme which stated that in any review or amendment of arrangements, ministers would ensure there would be "no retrogression" in the application of the UNCRC due regard duty.

This echoes the concerns of the CYPE Committee in their [scrutiny of the 2018-19 budget](#). They called for a specific CRIA on the budget and stated "We fear that without a CRIA, resources to support the rights of children and young people may at best be difficult to identify. At worst, the absence of a CRIA could lead to the Welsh Government paying inadequate attention to the rights of children and young people in important financial decisions."

If the duties on Welsh Ministers within that Measure have not been sufficient to create transparent and participatory budgeting and clear account of children's rights, I believe that further incorporation of the UNCRC is required in order to address this point. This is something that I have already raised with the Minister for Children, Older People and Social Care and the First Minister, and I will be pursuing this further with their officials at their direction, in order to ensure that children's rights are properly considered in government decision making, and that decisions can be challenged should this not be the case.

Submitted by:

A handwritten signature in black ink, appearing to read 'Sally Holland', written in a cursive style.

Professor Sally Holland

Children's Commissioner for Wales

Consultation response from the Equality and Human Rights Commission:

Consultation details

Title: Scrutiny of the Welsh Government's impact assessments for its draft budget

Source of consultation: the National Assembly's Finance Committee, Equality, Local Government and Communities Committee, and Children Young People and Education Committee
--

Date: Monday 5 November

For more information please contact

Name and contact details of the Equality and Human Rights Commission contact providing a response:

Name: Jamie Westcombe

Telephone number: [REDACTED]

Email address: [REDACTED]

About the Equality and Human Rights Commission

The Equality and Human Rights Commission (the Commission) is a statutory body established under the Equality Act 2006. It operates independently to encourage equality and diversity, eliminate unlawful discrimination, and protect and promote human rights. The Commission enforces equality legislation on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It encourages compliance with the Human Rights Act 1998 and is accredited at UN level as an 'A status' National Human Rights Institution, in recognition of its independence, powers and performance.

Summary

In setting its budget, the Welsh Government should:

- Fully comply with the Public Sector Equality Duty (PSED) in a timely manner, with particular reference to the specific duties on assessing impact and engagement.
- Build further on the recommendations of the 'Appreciative Inquiry into the Welsh Government's approach to assessing equality impacts of its budget' report, including a review of the new strategic integrated impact assessment process to ensure that it complies with the PSED.
- Target its tax and spending decisions on minimising and reducing disadvantage experienced by different groups, and should conduct and publish a Cumulative Impact Assessment of the varied impact on people with different protected characteristics alongside all national fiscal events.
- Use budgetary opportunities to take forward priorities and recommendations identified in the Commission's Is Wales Fairer? report and its own PSED equality objectives.

Questions for consideration:

We would welcome the Committees exploring the following questions with Welsh Government:

1. How has the Welsh Government complied with the PSED specific duties, particularly the requirements to engage with stakeholders and to analyse impact?
2. How does the Welsh Government ensure that the equality impact assessment of its budget is integral to the budget-setting process from the outset?
3. Has the Welsh Government developed a Cumulative Impact Assessment to understand the overarching impact of all spending decisions?
4. How is the Welsh Government using its budget-setting to consider the delivery of its strategic equality plan objectives and the key findings within Is Wales Fairer?

Public Sector Equality Duty and assessing impact

This year, the Welsh Government produced a Strategic Integrated Impact Assessment (Annex D of the draft budget 2019-20). The Welsh Government must comply with the duties outlined within the PSED when conducting its strategic integrated assessment.

The Equality Act 2010 public sector equality duty (PSED) is intended to ensure equality considerations are built into the design of policies and the delivery of public services. Under the duty, public bodies, including the Welsh Government, are required to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act
- advance equality of opportunity between people who share a relevant protected characteristicⁱ and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

The specific dutiesⁱⁱ, passed by the National Assembly, set out the steps that listed bodies in Wales must take in order to demonstrate that they are paying due regard to the general duty. Assessing the equality impact of proposed policies and practices is one of the specific duties.

Budget-allocation is a fundamental practice for which the Welsh Government is required to demonstrate it has assessed the equality impacts and, having considered this, have 'due regard' (i.e. give appropriate weight) to the results of the assessments. This requires the Welsh Government to consider taking action to address any issues identified, such as addressing negative impacts within the budget setting process.

What the duty requires on assessing impact

- assess the likely impact of proposed policies and practices on its ability to comply with the general duty
- assess the impact of any policy which is being reviewed and of any proposed revision
- publish reports of the assessments where they show a substantial impact (or likely impact) on the Welsh Government's ability to meet the general duty
- monitor the impact of policies and practices on its ability to meet that duty.

Reports on assessments must set out in particular:

- the purpose of the policy or practice (or revision) that has been assessed
- a summary of the steps the Welsh Government has taken to carry out the assessment (including relevant engagement)
- a summary of the information the Welsh Government has taken into account in the assessment
- the results of the assessment
- any decisions taken in relation to those results.

In addition, when assessing for impact of policies and practices on its ability to comply with the general equality duty, the Welsh Government must:

- comply with the engagement provisions
- have due regard to the relevant information the authority holds.

Assessing the equality impact of its budget should be integral to the Welsh Government's budget-setting process from the outset. Whoever is carrying out an assessment of impact should:

- have a detailed understanding of the policy area
- be in a position to ensure that changes can be made where required
- have the support and leadership of senior management.

The specific duties require the Welsh Government to meet the engagement provisions as part of assessing the impact on people with protected characteristics. Therefore, in setting its budget, the Welsh Government must involve people who it considers are representative of one or more of the protected groups and who have an interest in how it sets its budget.

In assessing equality impacts, it is important that the Welsh Government has as much up-to-date and reliable evidence as possible about the needs and experiences of the different groups the budget is likely to affect. Where there is insufficient information appropriate action should be taken to fill these gaps, such as involving relevant people or groups. A lack of evidence should never be used as a reason for inaction.

The 'assessing impact' duty involves considering whether the evidence indicates that there is a different impact on people with particular characteristics, and whether this impact is disproportionately negative. It is seldom acceptable to state simply that a policy or practice (such as a

budget) will universally benefit/disadvantage everyone, and therefore individuals will be affected equally whatever their characteristics. The analysis should be more robust than this.

It is important to ensure that the conclusions reached can be explained, particularly where the evidence can be interpreted in different ways. Documenting the budget assessment is important to ensure that the general and specific duties are being met. It is important that the Welsh Government makes its assessment public, in the interests of transparency and accountability. The report should highlight 'impacts', rather than be a commentary on budget allocation.

Appreciative Inquiry into the Welsh Government's approach to assessing equality impacts of its budget

The Equality and Human Rights Commission previously commissioned an appreciative inquiryⁱⁱⁱ into the Welsh Government's approach to assessing equality impacts of its budget. The report identified how equality issues could be appropriately identified and used to inform decision making in the future. The Welsh Government's approach to equality impact assessment has developed since this report, but its key findings and recommendations remain relevant, although a further review of the process will be beneficial. The findings included:

- Welsh Government departments should take responsibility for conducting EIAs and ensure they have clearly defined and appropriately resourced roles for carrying out and quality assuring EIA. Equalities considerations should become part of the day to day activity of departments and need to be embedded into day to day roles.
- It is recommended that targeted training is provided to enable officials to carry out robust EIAs.
- It is recommended that the Welsh Government develops and sets in place mechanisms for assessing the cumulative effects of budgetary decisions. Cumulative effects should include the impacts of UK Government decisions and how they affect decisions subsequently made by the Welsh Government as well as decisions made by the Welsh Government in its own right.
- It is recommended that the Welsh Government more clearly sets out how strategically significant decisions impact on people with protected characteristics as well as, but distinct from, setting out how decisions impact on groups facing socio economic disadvantage.

- It is recommended that the Welsh Government makes clearer the evidence and engagement activity used to inform strategically important decisions and how this information was used. This information should be presented in a clear way to enable effective decision making and scrutiny.
- The EIA process should be ongoing and not a one off intervention. Individual departments should not necessarily be starting from the beginning when budgetary equalities assessment commences but should be building on ongoing and continuous equalities analysis. This should also mean that EIAs are developed throughout the policy making process. Cabinet and ministerial level decisions need to be informed by EIA as part of this iterative process.

The cumulative impact of tax and welfare reforms

In March 2018, the Equality and Human Rights Commission published a report (commissioned from Landman Economics and Aubergine Analysis) looking at the cumulative impact of the UK Government's tax, welfare, social security and public spending from 2010 to 2017^{iv}. The report sets out recommendations to UK Government for evaluating financial decisions resulting from this analysis. This was a ground-breaking report, with its model offering huge potential for the development of robust cumulative impact assessments. The recommendations are relevant to the Welsh Government as it develops its approach to assessing the cumulative impact of spending decisions. It would be welcome if the Welsh Government takes forward opportunities that the model presents. The report's recommendations include:

- more ongoing and collaborative preparation in advance of budget-setting
- a clearer decision-making process, with respective responsibilities across departments understood throughout the budget-setting process
- ongoing monitoring and evaluation of the impact of spending measures on people sharing different protected characteristics both during and after implementation.

The report recommended that, to assist in future assessment of the impact of tax and welfare reforms, the Welsh Government allocate additional resources to enable a boost sample for the Family Resources Survey (FRS) and Living Costs and Food Survey (LCF). The current

sample size of the FRS and LCF is too small to allow robust analysis of some of the protected characteristics (in particular, ethnicity).

Is Wales Fairer? 2018

In October 2018, the Commission published *Is Wales Fairer?*^v This report is a comprehensive state-of-the-nation report that brings together evidence to assess levels of inequality in Wales. The report highlights key findings and recommendations across all areas of life, including health, housing, education, participation, justice and work. The Commission has called on the Welsh Government to act on the report's findings and recommendations. Key findings include:

Socio-economic disadvantage

A continuing increase in rough sleeping, increased poverty rates and the adverse effects of UK-wide social security reforms on the poorest groups have contributed to an overall fall in living standards in Wales since our last review.

Disabled people falling further behind

Disabled people are being denied their right to independent living and in many cases are not experiencing the progress seen for other groups, with gaps in educational attainment and employment widening rather than narrowing.

Challenges to women's safety and career progression

While women have some of the most equal outcomes they have ever had, the prevalence of societal gender norms in education and employment, and experiences of harassment and violence, obstruct this progress.

Race inequality persists in Wales

Some ethnic minority people are experiencing improvement but deep inequalities remain, and hate crime motivated by race is still far too prevalent in Wales

Is Wales Fairer? includes a specific recommendations that the Welsh Government should target its tax and spending decisions on minimising and reducing disadvantage experienced by different groups, and should conduct and publish a Cumulative Impact Assessment of the varied impact on people with different protected characteristics alongside all national fiscal events.

ⁱ The protected characteristics for the purposes of the public sector equality duty are: age; disability; gender reassignment; pregnancy and maternity; race; religion and belief; sex; and sexual orientation.

ⁱⁱ Guides to the PSED in Wales <https://www.equalityhumanrights.com/en/advice-and-guidance/guides-psed-wales>

ⁱⁱⁱ Welsh Government's approach to assessing equality impacts of its budget <https://www.equalityhumanrights.com/en/publication-download/appreciative-inquiry-report>

^{iv} 'The cumulative impact of tax and welfare reforms' <https://www.equalityhumanrights.com/en/publication-download/cumulative-impact-tax-and-welfare-reforms>

^v Is Wales Fairer? <https://www.equalityhumanrights.com/sites/default/files/is-britain-fairer-2018-is-wales-fairer.pdf>

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Agenda Item 3

Joint Scrutiny Session

Equality, Local Government and Communities Committee

Children, Young People and Education Committee

Finance Committee

Date: 15 November 2018

Title: Welsh Government Draft Budget 2019-20

Introduction

1. This paper provides information to the concurrent meeting of the Equality, Local Government and Communities Committee, the Children, Young People and Education Committee and the Finance Committee about impact assessments in relation to the draft Budget 2019-20.
2. As you note in your letter of 23 August, matters relating to impact assessment reach beyond the remit of your three committees and we understand individual policy committees will be scrutinising portfolio Cabinet Secretaries and Ministers about impact assessments in their areas of responsibility.

Approach taken to the Strategic Integrated Impact Assessment this year

3. The outline draft Budget 2019-20, published on October 2, sets out the proposed strategic spending plans for revenue (2019-20 only) and capital funding (2019-20 and 2020-21), taxation and borrowing proposals. We set out our approach to the budget preparations in chapter four of the outline draft Budget narrative. We have developed and presented the budget narrative in a different way this year, so it is easier to see how our spending plans are aligned to our priorities.
4. The detailed spending proposals for each government portfolio were published in the second stage of the budget on October 23 in line with the new budget process, which was agreed by the National Assembly and introduced last year.
5. In the outline draft Budget 2019-20, we set out our spending priorities, focusing on performance, prevention and pay in the following areas:
 - Health and social care
 - Local government
 - Capital investment, to support the delivery of local services
 - Supporting our business and communities through the uncertainty of Brexit

6. Secondly, we set out decisions to support the six priority areas in *Prosperity for All*. These are the six areas where it has been shown that early intervention and co-ordination across services can have a significant impact on outcomes. The six priority areas are – early years; housing; social care; better mental health; skills and employability; and decarbonisation.
7. As part of the budget process, we have a responsibility to consider our decisions through a number of lenses to understand their impact. An integrated assessment enables us to better understand the impact of decisions on different groups of people. We have once again taken this approach.
8. Some of our responsibilities are statutory and all are essential to deliver positive outcomes. These are equalities and human rights, children’s rights, the Welsh language, climate change, rural proofing, health, biodiversity and economic development. Socio-economic disadvantage is an underpinning consideration when assessing the impact of decisions.
9. The Strategic Integrated Impact Assessment is set out in the same way as the budget narrative so it is clear about the consideration of evidence and impacts supporting our spending priorities. Following feedback from the Children, Young People and Education Committee last year, we have taken steps to highlight the impact of the United Nations Rights of the Child in relation to our budget-setting process.
10. We have also changed the format of the detailed draft Budget– stage two of the budget – this year following feedback from Assembly committees and the Future Generations Commissioner. We have developed the narrative under the 12 well-being objectives and the six *Prosperity for All* priority areas so we are clearer about how decisions about funding are supporting our objectives. The well-being objectives are set to maximise the Welsh Government’s contribution to the national well-being goals.
11. For the first time, we are also providing a Strategic Integrated Impact Assessment as part of the detailed draft Budget, which is included as an annex to the budget document published on October 23.

Specific improvements made to the SIIA since the 2016 review of Welsh Government impact assessments

12. Successful policies, programmes, investments and legislation are those which have been properly assessed for their impact in the round before they are implemented.
13. We have been working to develop our approach to impact assessments, which are an integral part of developing comprehensive and balanced policy making. Appraising the impact – both positive and negative – helps us to target our increasingly-scarce resources on those actions which will have maximum impact on people’s and Wales’ well-being. An integrated assessment approach provides a more realistic assessment of the overall impact of spending decisions – impacts are interrelated and cannot be considered in isolation.

14. In response to the report *Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government*¹ by the Public Policy Institute for Wales (now the Wales Centre for Public Policy) we have developed a new integrated assessment tool. This will help us to undertake a rounded assessment of the impact of a proposed action, bringing together the range of impact assessment duties in a coherent framework, reducing complexity and duplication and integrating the impact assessment process with the substantive direction of the Well-being of Future Generation Act. It was launched in July 2018 and will be reviewed after six months.
15. The new tool will help us to undertake a rounded assessment of the impact of a proposed action, including the social, economic, cultural and environmental effects.
16. The substantial elements of the former children's rights, equalities, Welsh language and other impact assessments have been incorporated into the integrated impact assessment.
17. In November 2018, officials will attend a meeting of the Future Generations Commissioner's advisory panel to consider the Welsh Government's approach to integrated impact assessment. Panel members include the Children's Commissioner, the Equality and Human Rights Commissioner, the Older People's Commissioner, the Welsh Language Commissioner, the Chair of Natural Resources Wales and others.

How the Gender Rapid Review informed how the SIIA was conducted this year

18. Phase 1 of the Rapid Review of Gender Equality is the first of a two-part review. The report by Chwarae Teg² examines the Welsh Government's gender equality policies and considers them alongside the Wales Centre for Public Policy's report on global best practice *Putting Equality at the Heart of Decision-making*³.
19. The review found that, while much has been achieved in Wales, gender inequality remains a stubborn feature of Welsh life.
20. Phase 2 of the review includes an assessment of the extent to which Wales has an effective and integrated legislative and regulatory framework that embeds meaningful consideration of gender into policy and spending decisions.
21. Phase 2 of the review is due to report by July 2019. This timing will also allow the feedback from the review of the SIIA to be taken into account.

¹ https://www.wcpp.org.uk/wp-content/uploads/2018/04/Impact-Assessments_FINAL-30-Apr.pdf

² <https://www.cteg.org.uk/wp-content/uploads/2018/07/final-Rapid-Review-of-Gender-Equality-Phase-One.pdf>

³ <https://www.wcpp.org.uk/publication/putting-equality-at-the-heart-of-decision-making/>

How children's rights have been considered and assessed for this draft budget, in line with the Welsh Government's duty of due regard to the UNCRC

22. As part of the continuous improvements to the budget process, we take an integrated approach to impact assessments of the budget. This year we have included a strategic integrated impact assessment as part of both the outline and the detailed draft Budget. In taking an integrated approach we continue to reflect the impacts on children's rights as well as socio-economic disadvantage, the Welsh language, equality and sustainable development through the economic, social, environmental and cultural well-being of Wales. We set out our approach to Child Rights Impact Assessment in correspondence to the Chair of Children, Young People and Education Committee in June (copy at Annex 1)

How the impact of both Welsh Government borrowing and new income tax powers informed the SIIA

Welsh rates of income tax

23. Providing stability and certainty is a key aim in implementing the new Welsh taxes, including the introduction of Welsh rates of income tax from April 2019.
24. The Equality and Human Rights Committee report on the cumulative impact of tax and welfare reforms⁴ reported on income tax, national insurance contributions and indirect taxes, which until now have all been the responsibility of the UK Government. It showed gains from changes to income tax and national insurance contributions (largely due to the real-term increase in the tax-free personal allowance since 2010) but losses from changes to indirect taxes (largely due to the increase in VAT to 20% in 2011).
25. The Welsh Government has set out its approach to tax and its principles for Welsh taxes in its Tax Policy Framework⁵. These include the key principles that Welsh taxes should raise revenue to support public services as fairly as possible; they should be developed through collaboration and involvement and contribute directly to the Well-Being of Future Generations Act goals. Those who benefit the most from public services tend to be those on below-average incomes. Some protected groups are proportionally more likely to fall into this category. There is also a disproportionate spend on young people and older people in terms of education and health services.
26. In 2018-19, the Welsh Government used its new tax powers to increase progressivity: land transaction tax, which in Wales has replaced the UK Government's stamp duty land tax, has the highest starting threshold for

⁴ <https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

⁵ Welsh Government Tax Policy Framework, June 2017: <https://gov.wales/docs/caecd/publications/170612-framework-en.pdf>

residential rates in the UK and the lowest starting rate of tax for the purchase of business premises in the UK.

27. We will continue to use the tax system to promote fairness and economic growth and to help tackle poverty. Any future tax policy decisions will be developed within the *Tax Policy Framework*⁶ with specific assessments of the impact on households and individuals in Wales undertaken as necessary.
28. The Welsh Labour manifesto included a commitment not to increase Welsh rates of income tax and the outline draft Budget reflects this commitment. Our priority is to promote an orderly transition to the new Welsh rates of income tax, which will continue to be administered by HMRC from their introduction in April 2019.

Borrowing

29. Borrowing enables the Welsh Government to increase its overall capital spending power – over and above the limit set by HM Treasury through the block grant – to support our infrastructure investment priorities set out in the *Wales Infrastructure Investment Plan*⁷. Using our new borrowing powers, we can deliver large-scale strategic investments, which would otherwise be unaffordable using our core general capital budgets alone.
30. The reduction in our capital budget means we need to continue to develop new and innovative ways to fill the capital gap. The principle underpinning the use of capital in Wales is that we will always exhaust the use of the least expensive forms of capital before using other sources of capital. We will always use general capital, including financial transactions capital, ensuring we use every penny available to Wales, to fund our infrastructure commitments.
31. The outline and detailed draft Budget documents set out how our capital budgets, including borrowing will be spent, and the strategic integrated impact assessments set out the impacts of these investments.
32. However, capital borrowing is not additional money and must be repaid. There is a revenue consequence to financing capital expenditure through borrowing. So, we think carefully about the cost of borrowing every time we plan to use the facility, as there is a considerable opportunity cost.

How the SIIA evidences the financial impact of Welsh Government decisions

33. The strategic integrated impact assessment sets out the impact on policy and the delivery of budget and spending decisions, which have been made. This is

⁶ Welsh Government Tax Policy Framework, June 2017: <https://gov.wales/docs/caecd/publications/170612-framework-en.pdf>

⁷ <https://beta.gov.wales/sites/default/files/publications/2018-07/wales-infrastructure-investment-plan-mid-point-review-2018-a.pdf#>

complemented by the financial tables in chapter five of the outline draft Budget narrative and the more detailed Budget Expenditure Line (BEL) tables, which are published alongside the detailed draft Budget.

34. In appraising the impact of budget decisions, we have taken a proportionate approach, taking an initial appraisal of whether a full impact assessment is required, for example, where an allocation of funding is very small compared to the overall budget, the change is part of a planned programme closure where outcomes are being delivered in a different way or efficiencies have been made.
35. Decisions have been made in the context of a very challenging outlook for public finances as we enter the ninth year of austerity and as we approach the date for leaving the European Union, we are still unclear about what the final deal will look like. The UK Government will conduct a Spending Review in 2019, although further details about this have not yet been announced.
36. All of this constrains our ability to plan beyond the short term. We recognise – and are sympathetic to – the calls from our public sector partners to budget over a longer period whenever possible to support forward financial planning. Our ambition to publish plans for more than 12 months must be balanced by our ability to provide realistic and sensible planning assumptions. We have had to take the decision to publish revenue plans for 2019-20 only and capital plans for the next two years – 2019-20 and 2020-21.
37. To support financial planning beyond the immediate term, the Chief Economist's report⁸, published alongside the outline draft Budget, provides an analysis of the medium-term fiscal projections, which will help to inform scenarios for future resource spending in Wales.

How the Cymraeg 2050 Strategy along with the Rapid Review of Welsh in Education Strategic Plans 2017-20, which made specific recommendations around capital investment, impacted on the SIIA this year.

38. The *Rapid Review of Welsh in Education Strategic Plans 2017-20*⁹ made specific recommendations about capital investment. In January, the Welsh Government allocated an additional £30m of capital to support the growth of Welsh language education. In combining this investment with projects aimed at increasing Welsh medium childcare provision, we have been able to announce support for projects with a capital value of more than £51m. This will have a positive impact on younger people and will support the growth of the use of the Welsh language in education, supporting our ambitions set out in *Cymraeg 2050*¹⁰.

⁸ <https://beta.gov.wales/sites/default/files/publications/2018-10/chief-economists-report-2018.pdf>

⁹ <https://beta.gov.wales/sites/default/files/publications/2018-02/rapid-review-of-the-welsh-in-education-strategic-plans-2017-20.pdf>

¹⁰ <https://gov.wales/docs/dcells/publications/170711-welsh-language-strategy-eng.pdf>

39. *Cymraeg 2050* sets out that we need to reach a position where the Welsh language is an integral element of all aspects of everyday life. Education is central to our vision, but we must ensure our young people come out of the education system ready and proud to use the language in all contexts.
40. We set out in both the outline and the detailed draft Budget strategic integrated impact assessment where budget decisions are having an impact on the Welsh language, in support of *Cymraeg 2050*. The most recent annual population survey showed encouraging results with an increase in the number of Welsh speakers reported.
41. We are supporting Welsh in education with a budget of £29m in 2019-20. This includes planning of Welsh-medium education to include implementing recommendations made within Aled Roberts Rapid Review of the Welsh in Education Strategic Plans; the delivery of practitioner training through the Sabbatical Scheme; the delivery of Welsh-language training; and funding for the Coleg Cymraeg Cenedlaethol and the development of post-16 Welsh-medium provision.
42. One of the underpinning themes of *Cymraeg 2050* is the need to create favourable conditions regarding infrastructure and context, including, for example, community and economy, culture and media and digital technology. We are investing £5.9m through Welsh language directly, however there are be contributions from across all portfolio areas so that we can reach the position that Welsh is an integral element of all aspects of everyday life. As part of the Plaid Cymru budget agreement we have also provided an additional capital allocation of £2.75m to upgrade the Urdd camps at Glan-llyn, near Bala and Llangrannog.
43. The Economic Action Plan recognises that the economy is integral to creating the social conditions where Welsh speakers can stay in Welsh-speaking communities, or return to those communities. Investing in good quality jobs and regions, which are attractive places in which to live, work and invest, which will provide people with a reason to remain or return to work and live in communities where the Welsh language thrives.
44. The Welsh language is a significant component of the historical culture and identity of Wales. Celebrating Wales' unique culture, language and sense of place are at the heart of the Wales brand approach. We will increasingly bring the Welsh language to the fore as a key selling point for Wales – especially in tourism in key international markets. We are also investing in the expansion of our overseas offices to help access new markets and expand opportunities for Welsh businesses

Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance



Llywodraeth Cymru
Welsh Government

Lynne Neagle AM
Chair
Children, Young People and Education Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

SeneddCYPE@assembly.wales

11 June 2018

Dear Lynne

Thank you for your letter, dated 15 May, in relation to scrutiny of the Welsh Government's draft budget. I am replying as Cabinet Secretary with responsibility for the budget process.

Budget Transparency

In line with this government's commitment to transparency and openness, we have worked with the National Assembly over a number of years to refine the presentation and quality of budget information to help support meaningful scrutiny of the government's proposals.

This work has acknowledged the complexity of the information being presented at various points in the budget cycle and the variety of purposes for which stakeholders use the information.

Last year, in recognition of the government's new fiscal responsibilities – including new tax and additional borrowing powers – a new budget process was agreed between the National Assembly and the Welsh Government. This included a budget protocol setting out a new two-stage budget process, which has led to the publication of a greater level of detail and supporting information at both stages of the budget process.

As part of the protocol, we agreed to publish budget information at a BEL level – a more detailed level than has previously been published.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400
Gohebiaeth.Mark.Drakeford@llyw.cymru
Correspondence.Mark.Drakeford@gov.wales

We continually keep the presentation and quality of budget information under review and will reflect on the evidence and feedback from committees, including the Children, Young People and Education Committee.

Child Rights Impact Assessment

As part of the continuous improvements to the budget process, we have taken an increasingly sophisticated approach to impact assessments through the publication of the Strategic Integrated Impact Assessment (SIIA) alongside the draft Budget.

In taking an integrated approach we continue to reflect the impacts on children's rights as well as socio-economic disadvantage, the Welsh language, equality and sustainable development through improving the economic, social, environmental and cultural wellbeing of Wales.

Impact assessments on detailed spending plans are part of the second stage of the budget process. As the 2018-19 Budget was the first year in which we published a two-stage budget, we acknowledge there is more we can do to improve the impact assessments of policy development through to the budget process.

The Finance Committee has recommended future draft budgets provide a clear explanation about how decisions are arrived at. This recommendation is consistent with a Welsh Government project to develop a new framework for impact assessment, which will be rolled out in July.

The objectives for the framework include giving clearer and more explicit purposes for impact assessments across the range of government interventions; reducing complexity and applying impact assessments to interventions in a proportionate way. Our approach will focus on the quality of understanding, evidence and judgment and integrating the impact assessment process with the Wellbeing of Future Generations Act.

I am copying this letter to the Cabinet Secretary for Education and the Cabinet Secretary for Health and Social Services.

Best wishes,

A handwritten signature in black ink that reads "Mark". The letters are cursive and slightly slanted to the right.

Mark Drakeford AM/AC

Ysgrifennydd y Cabinet dros Gyllid.
Cabinet Secretary for Finance