

Chwarae Teg submission to the Finance Committee

Welsh Government Draft Budget proposals for 2022-23

November 2021

Introduction

Chwarae Teg is Wales' leading gender equality charity. We work to secure a fairer Wales where all women achieve and prosper, ensuring that women enjoy economic equality, are fairly represented in all walks of life and are no longer at risk of poverty, violence and exclusion.

As has been well documented, the Covid-19 pandemic has had a profound impact on the lives of many. The crisis has brought into sharp focus the deep rooted inequalities that continue to shape our society and our economy. These inequalities left many groups, including women, more vulnerable to the health and economic impacts of the pandemic.

The budget is one of the most important tools at the Welsh Government's disposal to tackle longstanding structural inequalities: it is only through adequate resource allocation that ambitious policy commitments can be met. We welcome the opportunity to take part in the scrutiny process for the 2022-23 budget. We also welcome the Welsh Government's continued commitment to creating a more equal Wales and embed gender equality into all of its policy and budgetary decisions.

Despite these commitments, however, we need to see further action on implementing the Gender Equality Review in full. Although the pandemic has had a profound impact on capacity within government, we feel strongly that the implementing the recommendations as set out in *Deeds not Words* will support the Welsh Government to achieve its goals on both equalities and recovery from the pandemic. The recommendations represent not just a 'to do list' of policies, but a radical new way of truly embedding equality into the work of government.

Key messages

1. While we welcome this opportunity to inform the Finance Committee's scrutiny of the budget, the limited opportunity for civil society to engage with the scrutiny of the actual draft budget continues to be an issue, something that was recognised in Scotland and where action has been taken to make improvements.
2. We continue to be concerned about the relative importance of equalities in the budget setting process. As based on the most recent example available, the focus on equality feels diluted due to the increasing importance placed on well-being. In particular, the Strategic Integrated Impact Assessment does not appear to be fit for purpose due to the limited engagement with equalities data or analysis to explain the rationale behind the allocation of resources.

3. Only through the full implementation of the Gender Equality Review as set out in *Deeds not Words* will Welsh Ministers be able to achieve their goals of creating a more equal Wales, as this will mainstream an intersectional equalities lens into policy-making and spending decisions.
4. There is a clear need for a comprehensive strategy to tackle poverty so that resource can be directed in a strategic and managed way with a subsequent evaluation of what works and what does not.
5. Childcare remains a barrier to women fully entering the workforce and progressing in their careers. Although we welcome the recent announcement that the Childcare Offer will be extended to two-year olds, additional resource should be allocated to improve Wales' Childcare Offer even further.

Detailed Response

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

- 1.1. As we stated to the Committee during last year's budgetary scrutiny process, women's unequal position in work is one of the most significant contributing factors to gender inequality in Wales. Women dominate in sectors and jobs associated with low pay, insecure contracts and poor working conditions. They are more likely to be in receipt of benefits, to work part-time or fewer hours, and less likely to hold managerial or director positions. This reality is even more acute amongst ethnic minority women and disabled women.
- 1.2. We know that the initial phase of the pandemic exacerbated these long existing inequalities. Women are more likely to be on insecure contracts in sectors shut down by the virus, and are at a higher risk of falling into poverty. The pandemic has also highlighted our dependence on unpaid care, mainly done by women, for both children and vulnerable people.
- 1.3. It is important to note that we still do not know the full extent of the longer term impacts of the pandemic on women and tackling gender inequalities, and although specific streams of funding are welcome, we believe it is too early to adequately assess the impact of Welsh Government interventions as a consequence of the pandemic.
- 1.4. We were pleased to see funding for Violence against Women, Domestic Abuse and Sexual Violence maintained alongside an increase in funding for Equality and Community Cohesion in the Welsh Government's 2021-22 budget.
- 1.5. The increase in funding for the Discretionary Assistance Fund over the past years is also welcome, but as highlighted in recent evidence to the Equality and Social Justice

Committee on indebtedness and the pandemic the DAF needs fundamental reform¹.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

- 2.1. In our response to the Committee last year, we highlighted seven key areas for the Welsh Government to focus on in order to tackle deep rooted inequalities which have been underscored by the Covid-19 pandemic. These key areas are still vital to both support recovery from the pandemic as well as creating a more equal Wales – a central ambition of the Wellbeing of Future Generations (Wales) Act.
- 2.2. We are reiterating these seven areas in this response since, although the Welsh Government has made a progress in some areas, there is more which could be done.
 - 2.2.1. **Prioritise the hardest-hit sectors:** Recovery plans should continue to focus on the sectors which have been impacted most but the pandemic. We must see targeted support for sectors such as hospitality and retail, and much greater investment in care.
 - 2.2.2. **Take a feminist approach to recovery:** We believe the best approach to meet the aims of the Wellbeing of Future Generations (Wales) Act, and the commitment to delivering economic and social justice outlined in the Welsh Government’s Economic Reconstruction plan would be to take a feminist approach to economic recovery. The Gender Equality Review² sets out the means by which the Welsh Government can mainstream equalities into all of its policy making and spending decisions, while also achieving its goals for creating a more equal Wales.
 - 2.2.3. **Focus on employability, training and skills:** Welsh Government budgets must prioritise the employability of women, supporting them to enter, and progress in, decent, fair work. There should be a focus on skills and lifelong learning – we welcome the recent introduction of the Tertiary Education and Research (Wales) Bill to the Senedd. The pandemic continues to impact the labour market and thus targeted interventions in order to support people affected by unemployment and redundancy is vital.
 - 2.2.4. **Invest in childcare:** Although the additional investment in childcare provision in Wales over the past five years through the Childcare Offer is very welcome, and it is valued highly by those who are eligible, there is a clear need for the Welsh Government to commit more resources to ensure a truly accessible childcare system for all parents.
 - 2.2.5. **Create high-quality, flexible jobs:** The pandemic has sped-up changes in the way we work. In the context of the Welsh Government’s goal of 30% of the workforce permanently working remotely, it is vital that adequate resource is provided to

¹ Chwarae Teg, 2021 *Level of indebtedness during the pandemic*

<https://business.senedd.wales/documents/s118028/Chwarae%20Teg%20paper.pdf>

² Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

make sure that home-working plans are fully considered. They must allow for maximum flexibility, and a hybrid home/work model, rather than taking a 'one-size-fits-all' approach. Decisions about community co-working hubs must also be informed by clear equalities analysis to ensure that they are accessible and safe for women.

- 2.2.6. **Recognise that care is central to our wellbeing:** As we raised in last year's response to the Committee, care must become a key sector in our national economic strategy and we need investment in social infrastructure, including childcare, social care, health care and education, to enable people to engage with the economy, while delivering fair work within these sectors.
- 2.2.7. **Conduct robust evaluation with a focus on equality:** Although the Welsh Government's piloting of gender budgeting and continued commitment to mainstreaming equalities into the decision-making process is welcome, we need to see more action. We need to see more robust, consistent evaluation of plans, using equalities disaggregated data to show the impact of funding on women in order to avoid unintended consequences that exacerbate inequality.
- 2.2.8. Additionally to these points which we have made previously, we believe that the pandemic has made clear the **need for a comprehensive strategy to tackle poverty in Wales**. The lack of clear commitments in the Programme for Government alongside a wide-ranging plan for tackling poverty makes allocating resources to actually deal with Wales' poverty problem extremely difficult for government. It also means it is much harder to measure the effectiveness of specific interventions to tackle poverty.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

- 3.1. Chwarae Teg receives funding from a variety of sources, and in recent years has delivered projects at scale across Wales as a result of European Social Fund funding. With the withdrawal from the EU, and lack of clarity about replacement funds from UK Government, it is difficult for many third sector organisation, including Chwarae Teg, to plan for the long term. In addition, we receive a proportion of our budget from Welsh Government. Budgets are set annually, and contracts often confirmed late in the financial year, making it difficult to plan strategically. We continue to make the case that multi-year funding agreements would ensure organisations are able to deliver more effectively for Welsh Government.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

- 4.1. Yes. Whilst we appreciate that the Welsh Government has to work in the context of the UK Budget and the recent multi-year comprehensive spending review as well as the challenges caused by the Covid-19 pandemic, we question the effectiveness of the current process.
- 4.2. The current timetable for producing the budget substantially restricts the amount of opportunities and time to engage with the process for both civil society and citizens. At the moment, organisations such as ours are usually commenting on hypothetical priorities rather than a tangible commitments.
- 4.3. We believe that work should be undertaken to improve the amount of opportunities to feed into the budget-setting process. The Committee may wish to look at how the Scottish Parliament reformed its budgetary process in 2018 to enable both the Parliament and civil society more opportunity to influence and scrutinise the Scottish Government's budget³.
- 4.4. As we have highlighted in previous submissions to the Committee, we do not believe the Strategic Integrated Impact Assessment is fit for purpose since it does not adequately explain how budgetary decisions are made nor how they link to overarching commitments. Specifically, the 2021-22 SIIA reads as an acknowledgement of issues faced by specific groups decoupled from any substantive commitments or actions.
- 4.5. The planned review of the SIIA should ensure that adequate equality impact assessments are integrated into every area of government. It is also vital that impact assessments provide a clear rationale and evidence base for why decisions have been taken and how these decisions will support the key aim of creating a more equal Wales and tackle structural inequalities.
- 4.6. We believe that the same Integrated Impact Assessment template should be used for both policy and budgetary decisions. This would simplify the process for officials and help to clarify how these assessments have actually impacted policy and spending decisions.
- 4.7. There is a continued lack of clarity from Welsh Ministers over the role of Budgetary Advisory Group for Equality and its role in the future.
- 4.8. Currently, we still do not see meaningful and robust analysis of the impact of Welsh Government spending plans through an equalities lens. This is despite the existence of a number of tools and approaches to fully evaluate budgetary proposals.
- 4.9. Although we welcome the Welsh Government's piloting of gender budgeting, we do not believe that one pilot over the course of two years is sufficient. Only through the full implementation of Gender Equality Review as set out in *Deeds not Words*⁴ will we see budgets decisions being taken that are truly sensitive to gender. Plans for further pilots and the roll-out of gender budgeting within government should be sped up.

³ Burnside, R., 2018 *Guide to the new Scottish budget process*
<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/10/Guide-to-the-new-Scottish-budget-process#Executive-Summary> Accessed: 15 November 2021

⁴ Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

- 4.10. As the Gender Equality Review reported “we need to strengthen the alignment of the legislative framework [in Wales] to enable public bodies to deliver on the vision [for gender equality].”⁵ The review was explicit about concerns that focus on well-being should not supersede emphasis on equality – they should mutually reinforce. It was also noted in the review that “lessons must be learnt to ensure that new duties, such as the socio-economic duty, are developed and implemented with alignment of existing duties in mind. The forthcoming review of Welsh Specific Equality Duty provides opportunity to align overarching goals and objectives and must consider how to push public bodies beyond process focused compliance to meaningful action and ambitious objectives.”⁶ As far as we are aware, the review of WSED has not been completed, but we hope that it will be forthcoming so that the ambitions of the Gender Equality Review in this regard can be fulfilled.
- 4.11. We remain concerned that many of the points above have been raised repeatedly in recent years with little change taking effect.

5. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

Welsh Government policies to reduce poverty and gender inequality

- 5.1. As we have highlighted previously, the lack of clear commitments in the Programme for Government and any comprehensive strategy to tackle poverty makes it challenging to see how resources should be targeted. We know that the pandemic has exposed longstanding inequalities and in some cases entrenched them. The lack of a strategy to tackle poverty makes it harder to both direct resources and evaluate the effectiveness of such interventions.
- 5.2. Although we welcome ongoing commitments from Welsh Ministers on tackling gender inequality, these pledges must now filter through into clear deliverable policies and resource allocations. Key among these is the full implementation of the Gender Equality Review as set out in *Deeds not Words* which will provide Ministers with the tools and framework to support broader goals of achieving a more equal Wales. This should be seen as part of an integrated approach to tackling inequality, for example in line with implementing the Race Equality Action Plan and the Disability Task force
- 5.3. We know that the lack of affordable, accessible and flexible childcare continues to prevent women entering and progressing in the workplace. Although Wales’ current Childcare Offer is the most generous in the United Kingdom, we feel that the Welsh Government can and should go further with a clear long-term aim to provide free, good

⁵ Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

⁶ *ibid*

quality full-time childcare for all children aged 0-4. We appreciate the opportunity to take part in the Equality and Social Justice Committee's inquiry into childcare where we set out, in our written evidence⁷, the steps the Welsh Government could take to further improve Wales' Childcare Offer.

How evidence is driving Welsh Government priority setting and budget allocations.

- 5.4. Although we were pleased to see multiple references to the gender budgeting pilot in the 2021-22 draft budget, it is not clear how well the process of gender budgeting has actually impacted on the spending decisions of Welsh Ministers.
- 5.5. We are also unsure about the extent to which equalities has been considered in the round when making decisions about resource allocations. As highlighted earlier, the SIIA for 2021-22 does not provide a comprehensive rationale for why resources are allocated in the way they are. Full mainstreaming of equalities into Welsh Government decisions would provide a framework to make evidence-based decisions that tackle structural inequalities.
- 5.6. We welcome the intention to create an Equalities Data/ evidence unit but are unclear when and how this will be established and what its role will be in contributing to the budget setting process.

What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

- 5.7. The continued lack of clarity from the UK Government over the Shared Prosperity Fund and replacement of EU funds presents a challenge for organisations such as ours. Whilst we appreciate the pressures that the Welsh Government's budget continues to be under, in lieu of clarity from the UK Government, it would be helpful if the Welsh Government could find resource to fill some of the fiscal gaps caused by leaving the EU.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

- 5.8. Recovery from the pandemic presents the Welsh Government with the opportunity to support moves to a green, caring and equitable economy. Investments in as part of 'building back better' must be informed by a clear vision of what the economy should look like in order to secure an equitable recovery for all. In particular, we would welcome increased investment in the following areas:
 - 5.8.1. **Care** is a green sector which is vital to our wellbeing. We know that investment is needed in this sector and any additional resources would support an equitable recovery.

⁷ Chwarae Teg, 2021 *Childcare and parental employment: the pandemic and beyond*
<https://business.senedd.wales/documents/s119466/Chwarae%20Teg%20paper.pdf>

5.8.2. Although the recent investment in **childcare** is welcome, we believe that the Welsh Government should have the long-term aim to provide free, universal childcare provision. Childcare is the most important tool in creating a more gender equal Wales.

5.8.3. **Training and employment** interventions should be focussed on green sectors to ensure that jobs of the future are open to all.

For more information please contact:

Natasha Davies
Policy and Research Lead



[Redacted email address]



[Redacted phone number]

Tomos Evans
Policy and Public Affairs Partner



[Redacted email address]



[Redacted phone number]

Who are we?

Our vision is for a fairer Wales where all women can achieve and prosper. Our mission is to inspire, lead and deliver gender equality in Wales.

Chwarae Teg is committed to a Wales where all women are represented, empowered and able to prosper at all levels in the economy and public life regardless of their background or social status.

Chwarae Teg is registered charity. Charity number: 1084466 – FAIRPLAY (Workforce) Ltd.

