



Wales Women's Budget Group response to Finance Committee Call for Information: Welsh Government Budget proposals for 2022-23

November 2021

Introduction

The Wales Women's Budget Group (WWBG) is pleased to submit a response to this consultation. Currently incubated by Chwarae Teg, the Wales Women's Budget Group brings together leading economic thinkers, academics, policy-makers and women's networks. We work with civil society and government in pursuit of a more prosperous and equal Wales by ensuring that the impact of taxation and spending in Wales is fair and gender equal.

The budget and budgetary processes are one of the most important vehicles in delivering equality in Welsh society. We know that Covid-19 has exacerbated existing inequalities, with the economic effects of the pandemic falling particularly heavily on women, and in particular, young women, women with children, those from Black, Asian and Minority Ethnic backgrounds, single parent households and women supporting elderly relatives. The gender pay gap in Wales is increasing; in 2021 it is 12.3 %, an increase of 0.7% from 2020's figure of 11.6%¹ Progress towards closing the gender pay gap is not guaranteed, and we must therefore continue to prioritise action to address the root causes of pay inequality.

We welcome the fact that the Welsh Government, in its Programme for Government [footnote] set out its commitment to embed gender budgeting as part of the budgeting processes, as part of a pledge to 'eliminate inequality in all of its forms'.

However we are concerned that, despite having accepted all the recommendations made in the Gender Equality Review report, *Deeds not Words*² little progress has since been made to implement these recommendations. Although we understand that the pandemic has affected the capacity within government to drive change, this must now be prioritised urgently. The Review outlines how to an equalities mainstreaming approach at all levels of government to ensure that intersectional equalities analysis informs decision-making. The recommendations outlined in the GER can therefore be a key part of WG's action to deliver against equalities objectives set out in all equality action plans.

¹ Office for National Statistics (October 2021) Annual Survey of Hours and Earnings (ASHE) 2021

² Chwarae Teg (2019) Deeds not Words, Review of Gender Equality in Wales (phase 2)

<https://chwaraeteg.com/wp-content/uploads/2019/09/Deeds-Not-Word-full-report.pdf>

Key messages & recommendations

Covid-19 response and recovery

This new Senedd term is an opportunity to revitalise our economic policy, to refocus on equality and well-being, and place care at the heart of economic development in Wales, recognising the strategic, national importance of this sector which is central to our wellbeing as a society. Wales needs a caring-focused recovery from the pandemic to address the underlying driving factors behind the inequalities and poverty that have come to the fore so sharply over the past eighteen months.

Budgetary processes

In the face of growing inequality in Wales it is imperative that the government implements the recommendations of the Gender Equality Review as a priority. Specifically, a strengthened IIA tool should be developed to bring greater consistency to impact assessment across Welsh Government; a full IIA should be mandatory requirement for all submissions to Treasury; training should be developed and rolled out to officials within Treasury and in financial roles across Welsh Government departments to build equalities competence; the review of BAGE should ensure clarity of purpose for the group, and better engagement with relevant departments. We also await an update on the planned Equalities Evidence Unit and how it will ensure that policy decisions are linked to robust evidence for need.

We would encourage the Welsh Government to consider adopting a budget scrutiny process and timeline such as that adopted by the Scottish Government which allows more time for responses from civil society, and in which committees can incorporate budget scrutiny and public engagement into their work several months before the publication of spending proposals.

Equalities budgeting

Equalities budgeting should be mainstreamed into all budgetary processes. A Welsh approach to equalities budgeting should continue to be developed, in partnership with experts and within the context of a wider equalities mainstreaming strategy within government. This will need to align with the continuing work to build the policy profession and embed the WFG Act.

We urgently await the evaluation of the gender budgeting pilot into Personal Learning Accounts. In particular we would like to know whether the pilot informed spending decisions to date and whether policies been adjusted or reviewed as a result of equalities analysis. We also await details of plans for a second pilot and are keen to know what the aims are for this, what tools are being used as part of the pilot, what the timescales are and how it will be evaluated.

As the Wales Women's Budget Group rolls out a Gender Budgeting training programme we are keen to engage with WG at all levels to ensure that all officials and Ministers understand these tools and how to use them to make better budgetary decisions that enable support equitable outcomes.

Detailed responses

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 Women already face a greater risk of poverty than men, due to the fact that they face considerable barriers to work: they are more likely to be in receipt of benefits, to work part-time or fewer hours, and experience poorer working conditions. This inequality has been exacerbated by Covid-19, with women more likely to have been working in furloughed or insecure sectors, or having had to reduce working hours or leave work due to caring responsibilities. Ongoing monitoring of Welsh Government funding related to Covid-19 should include consideration of equality impacts. Evaluation should identify who has benefitted most, whether support reached those known to be at greatest risk of hardship and whether support inadvertently reinforced inequality. It is difficult to make a judgement on how CV-19 funding impacted women as there is limited data. We need a full evaluation of the funding with an equalities lens to determine whether lessons can be learnt for the future
- 1.2 A lack of affordable and flexible childcare remains one of the greatest barriers to women achieving their economic potential. This was an even greater barrier during the pandemic: a report by Chwarae Teg showed that responsibility for childcare and homeschooling during the pandemic fell predominantly to women, impacting on their ability to work and on their health and wellbeing³.
- 1.3 A shortage of available childcare is also an issue in Wales, with the 2021 Childcare survey from the Family & Childcare Trust⁴ showing that there are significant shortages for parents working atypical hours and with only around half of local authorities in Wales having enough childcare for free early education entitlements. Welsh Government has made financial support available to the childcare sector, which is very welcome. However, the pandemic demonstrated how precarious how childcare system is, being overly reliant on women's unpaid care. As we emerge from the pandemic, consideration must be given to how subsidised childcare can be made available to a much wider group of people.

³ Chwarae Teg (2021) One Big Juggling Act – Childcare and Homeschooling during the First Lockdown
https://chwaraeteg.com/wp-content/uploads/2021/06/One-Big-Juggling-Act-Childcare-and-Homeschooling-During-the-First-Lockdown_summary-report-1.pdf

⁴ Coram Family & Childcare Trust (2021) Childcare survey 2021
https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202021_Coram%20Family%20and%20Childcare.pdf

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

2.1 Covid-19 has highlighted how deep rooted inequality still is; therefore we must further focus activity and budget priorities on measures that will help to address the root causes of inequality. We propose this should be done in the following ways:

2.1.1 Prioritise care: The pandemic has shown that care is central to our wellbeing. Care must become a key sector in our national economic strategy and we need investment in social infrastructure, including childcare, social care, healthcare and education, to enable people to engage with the economy, while delivering fair work within these sectors. The UK Women's Budget Group Commission on a Gender Equal Economy projects that a care-led economy such as this would produce 2.7 times as many jobs as the equivalent investment in construction⁵.

2.1.2 Invest in childcare: The recovery plan must also seek to increase the number of women in work by identifying and tackling what stops women from fulfilling their potential. Looking after children and/or the home remains a primary reason for women being outside the labour market. Efforts to increase the number of women in work must therefore be coupled with effective childcare infrastructure and efforts to rebalance unpaid care within households. Plans should look to deliver an integrated Early Childhood Education and Care System, invest in childcare infrastructure and reform childcare provision to deliver, free, good quality full-time childcare for all children. Women make up a significant proportion of workers in sectors such as Health and Education. More funding for childcare will enable more women to work in, and have a positive impact on, these catch-up sectors.

2.1.3 Flexible/high-quality jobs for women. Women are more likely to experience low pay, insecure contracts, poor working conditions and pension poverty, and the recovery plan must improve the quality of women's work and incentivise employers to better support women through health events such as menopause. Jobs should enable women and men to share paid and unpaid work equally and make it easier for workers to combine paid work and caring responsibilities. Home-working plans need to allow for maximum flexibility, and a hybrid home/work model, rather than taking a 'one-size-fits-all' approach. A report by Chwarae Teg, *Agile & Inclusive Work: The New Normal*, sets out recommendations for new ways of structuring work in an inclusive and gender equal way⁶.

⁵ Commission on a Gender-Equal Economy (2020) "Creating a Caring Economy: A Call to Action" <https://wbg.org.uk/wpcontent/uploads/20>

⁶ Chwarae Teg (2021) 'Agile & Inclusive Work: The New Normal' <https://chwaraeteg.com/wp-content/uploads/2021/11/Agile-and-Inclusive-Working-Practices.pdf>

3. 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?

- 3.1 The planned review of the SIIA should embed best practices of Equalities Impact Assessment in every area of government, not just the Budgeting & Government Business department. The SIIA still does not clearly show how spending decisions tackle specific objectives and why those spending decisions have been chosen over others. It must link policy to spending and use an evidence-based approach to show clearly how equalities analysis and impact assessment influences the Welsh Government's spending decisions. We recommend that the same IIA template and approach should be used for both policy and budget, and officials should be upskilled to build equalities competence, including all those involved in budgetary processes. Policy statements should provide clarity on how Impact Assessments have been used to guide policy and spending decisions.
- 3.2 As recommended in the Gender Equality Review, *Deeds not Words*⁷, there should be a 'bottom up' approach to creating the SIIA, with a mandatory requirement for departments' submissions to the Treasury to have a full impact assessment attached.
- 3.3 As highlighted in the Gender Equality Review⁸, the Budgeting & Government Business department should play an important challenge function to ensure that impact assessments provided by colleagues, which inform the SIIA, are done to the appropriate standard, making full use of equalities evidence and demonstrating how budget plans will advance equality as well as highlighting any potential disproportionate impact and mitigating action to be taken.
- 3.4 The recommendations of the Gender Equality Review should be enacted to ensure gender mainstreaming through the budget process. We support the statement of the previous Finance Committee that "The Committee acknowledge the results of the Personal Learning Account gender budgeting pilot and its influence on this year's allocation. However, one pilot in two years is insufficient and the Committee can see little evidence of a wider gender budgeting approach emerging. The Committee reiterates its previous calls to develop a gender sensitive budgeting approach and to mainstream and embed equality considerations across the whole budget."⁹ It is essential that a second pilot is chosen with clear stated objectives, tools to be used, evaluation methods and timescales.
- 3.5 We support the Finance Committee's recommendation 31, that the Welsh Government sets out how it will undertake a more gender sensitive approach to its future budgets and demonstrates how spending and policy decisions are informed by the impact on

⁷ Ibid

⁸ Ibid.

⁹ Welsh Parliament Finance Committee (February 2021) Scrutiny of the Welsh Government's Draft Budget 2021-22 <https://senedd.wales/media/k5rha2zp/cr-ld14093-e.pdf>

gender and other groups, particularly given the evidence that the economic impact of the pandemic will disproportionately affect certain groups.¹⁰

3.6 We recommend that budgetary processes ensure the intervention of the Budget Advisory Group for Equalities is timed appropriately, not just at the end of the budgeting process. We are aware that the review of Group as set out in the Budget Improvement Plan is ongoing. It is vital that this review is expedited as a matter of urgency. We stress that post-review, the Group should retain its core focus on equalities and its work should inform both general budgetary principles and processes, and the budget itself. We await the outcome of these discussions.

3.7 We would like to see a strategic approach to rolling out gender budgeting training to officials and ministers in all parts of government in which budgetary activity is undertaken and recommend that Welsh Government works with third sector and other relevant actors to ensure the development of a Welsh-specific approach to gender budgeting. The aim of the new Wales Women's Budget Group will be to work with Welsh Government to develop both the skills and the tools needed within government for gathering and analysing data on gender equality, and for using this data to develop robust gender-budgeting processes. These tools will help us identify and overcome the unintended consequences of inequality and enable women to fulfil their potential.

3.8 We feel that the budget consultation process itself allows insufficient time for meaningful input from civil society, given that the time between the submission of responses and the publishing of the draft budget is a matter of three weeks or so. We understand that the Welsh Government's timeline is affected by the timing of budgetary decisions by UK Government. However, we draw attention to the system used by the Scottish Government in 2021, in which consultation with civil society began in August with both written and oral submissions to a number of committees, which allowed for detailed scrutiny by MSPs as well as time for public engagement. The Scottish Government has committed to a budgetary consultation process which takes 'Full year approach: a broader process in which committees have the flexibility to incorporate budget scrutiny including public engagement into their work prior to the publication of firm and detailed spending proposals.' Budgetary scrutiny in Scotland aims for a 'Continuous cycle: scrutiny should be continuous with an emphasis on developing an understanding of the impact of budgetary decisions over a number of years including budgetary trends.'¹¹

¹⁰ ibid

¹¹ Scottish Government (2021)

<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/10/Guide-to-the-new-Scottish-budget-process#What-has-been-agreed->

4. 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.

4.1 We welcome ongoing commitments from Ministers to prioritise tackling inequality, but we need to ensure that this commitment is reflected in delivery. We want to see the recommendations of the Gender Equality Review taken forward as a priority, and equalities mainstreaming facilitated in order to identify and tackle the structural causes of economic inequality.

4.2 A lack of affordable, accessible and flexible childcare continues to be a critical barrier to women entering and progressing in work. The aim should be to provide free, good quality full-time childcare for all children aged 0-4. More detailed recommendations for making this happen are outlined in Chwarae Teg's submission to the Equality and Social Justice Committee on Childcare and parental employment: the pandemic and beyond¹².

3.9 We welcome the plans for further gender budgeting pilots as set out in the Budget Improvement Plan¹³. More information is needed to clarify what gender budgeting tools are to be used in these pilots, what the timescales for the pilots are, what the aims of the pilots are and how success will be measured and evaluated. These are critical questions that need to be addressed if a gender budgeting pilot is to be successful and to facilitate engagement from external experts who can support development of a Welsh equalities budgeting approach.

5. 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)

5.1 One of the Wellbeing of Future Generations (Wales) Act's aims is to realise 'A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances.'¹⁴. We would like to see the government taking on board

¹² Welsh Government Equalities and Social Justice Committee evidence session on Childcare and Parental Employment, 15/11/21 <https://record.senedd.wales/Committee/12475#A68336>

¹³ Welsh Government (2020) Welsh Government Budget Improvement Plan <https://gov.wales/sites/default/files/publications/2020-12/2021-2022-budget-improvement-plan.pdf>

¹⁴ Future Generations Commissioner for Wales (2015) Wellbeing of Future Generations (Wales) Act 2015 <https://www.futuregenerations.wales/about-us/future-generations-act/#:~:text=The%20Well-being%20of%20Future%20Generations%20Act%20gives%20us,such%20as%20poverty%2C%20health%20inequalities%20and%20climate%20change.>

the recommendations of the Commission on a Gender Equal Economy in its final report, *Creating a Caring Economy: a call to action*, which outlines eight steps to create a caring economy, based on gender equality, wellbeing, and sustainability¹⁵. The eight steps prioritise care of one another and the environment, encompassing social care, childcare, healthcare and education. It envisions a properly resourced caring economy which would reduce the care burden on women, and allow them to fulfil their economic potential. Changes being made to ensure a greener Welsh economy are an opportunity to challenge traditional economic approaches, and instead focus on delivering a caring, green and equitable economy. The status quo cannot continue, we need to transform our economy, so this is an opportunity to ensure that the economy is one that works for everyone.

Conclusion

We know inequality is still a significant challenge, leaving women and others at greater risk in times of crisis as well as disadvantaging them day-to-day; it is important that both policy and spending decisions taken by Welsh Ministers are based on robust equalities analysis and focused on tackling the root causes of inequality. The annual budget is an important part of making sure that equality objectives can be achieved by ensuring that policy ambitions are backed up with adequate resources.

The foundation of the Wales Women's Budget Group, which brings together expertise from academia and third sector to work with government officials, offers an opportunity to develop a Welsh-specific government-wide programme of gender budgeting training, aimed at all levels of government where budgeting takes place. Training will ensure that gender budgeting tools are used in the best possible way to generate evidence for the unintentional impacts of gender blind budgetary decisions and to create solutions to tackle them. Strategic use of training alongside clear-intentioned and well-evidenced gender budgeting pilots will identify structural inequalities in our society and help to achieve the aim of a society 'that enables people to fulfil their potential no matter what their background or circumstances.'

We would be happy to provide further information in relation to any of the above. For further information please contact:

Rebecca Rickard, Coordinator, Wales Women's Budget Group

[REDACTED]

¹⁵ Ibid