

## **Wales Women's Budget Group submission to Finance Committee:**

### **Welsh Government Draft Budget proposals for 2023-24**

November 2022

#### **Introduction**

The Wales Women's Budget Group (WWBG) is a registered charity, currently incubated by Chwarae Teg, which works with government and civil society in pursuit of a more prosperous and gender equal Wales. Bringing together leading economic thinkers, academics, policy-makers and women's networks, the WWBG works to influence and inform public policy in order to promote a gender equal economy in Wales through use of gender budgeting.

As the cost of living crisis continues to bite, women – particularly ethnic minority and racialised women, disabled women and lone parents – are being hit harder by the rising costs and inflation. This is the direct result of deep-rooted inequality which leaves women more vulnerable to the economic impacts of the crisis.

The budget and its processes represent one of the most important tools at Welsh Government's disposal to tackle these long-standing structural inequalities. The WWBG therefore welcomes this opportunity to take part in the 2023-4 Budget scrutiny process. We also welcome Welsh Government's continued commitments to creating an equal Wales and embedding gender equality into all of its policy and budgetary decisions.

Despite these commitments, we need to see further action on the implementation of the recommendations of the Gender Equality Review report, *Deeds Not Words*<sup>1</sup>, many of which remain outstanding. In doing so, Welsh Government can accelerate progress towards a truly equal Wales and reduce the economic vulnerability of women across Wales in future.

#### **Key messages**

1. As a result of persistent gender inequality, women in Wales were hit harder by the impacts of the Covid-19 pandemic. In quick succession, the same inequalities have left women more vulnerable to the impacts of the cost of living crisis. As costs continue to rise, all future action taken to address this crisis must be considered from an equalities perspective to ensure support is designed to meet women's needs.
2. Despite recent expansion, the lack of affordable, accessible and flexible childcare provision in Wales remains a crucial barrier to women entering, remaining and progressing in the workforce. By investing in a care-led economy and prioritising sectors such as childcare, Welsh Government

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<sup>1</sup> Chwarae Teg (2019) *Deeds not Words, Review of Gender Equality in Wales*

can reduce the economic vulnerability of women and accelerate progress towards its goals of creating a more equal Wales and a greener economy.

3. We are pleased to see work being undertaken by the Budget Improvement and Impact Advisory Group (BIIAG) to improve the Strategic Integrated Impact Assessment (SIIA). We hope that this can support more engagement with equalities data and a clear, well-evidenced rationale to explain budgetary and spending decisions.
4. While we welcome Welsh Government's continued piloting of gender budgeting, we are concerned that the evaluation reports and lessons from these pilots are yet to be published and implemented. To facilitate the development of a wider gender budgeting approach across Welsh Government, this information must be clarified without further delay.
5. While support measures to help deal with the cost of living crisis are helpful, it is only by tackling gender inequality at its root that Welsh Government can reduce the vulnerability of women in Wales to any future crises. The recommendations of the Gender Equality Review, *Deeds Not Words*<sup>2</sup>, provide a clear, well-evidenced framework through which to do this. The full implementation of these recommendations must therefore be expedited as a matter of urgency.

#### Detailed Response

### 1. What, in your opinion, has been the impact of the Welsh Government's 2022-23 Budget, including funding related to the recovery of the pandemic?

- 1.1 The Covid-19 pandemic brought into sharp focus the deep-rooted inequalities that continue to shape our society and economy.
  - 1.1.1 Due to persistent gender inequality, women in Wales - particularly minority ethnic and racialised women, disabled women and single mothers - are more likely to be working part-time or low-paid jobs, to bear a disproportionate burden of caring responsibilities and to have lower wealth and fewer savings overall.
  - 1.1.2 These inequalities were exacerbated by the Covid-19 pandemic, during which women were more likely to have been working in furloughed or insecure sectors and to have reduced their working hours or left work completely due to caring responsibilities.
  - 1.1.3 Their precarious economic position meant that women were hit harder by the economic impacts of the pandemic, leaving them at greater risk of financial hardship and mental health issues.<sup>3</sup>
- 1.2 The same inequalities have left women more vulnerable to the impacts of the post-pandemic cost of living crisis. With little time to recover from the impacts of Covid-19, women in Wales are more likely to be living in poverty as the prices of food, energy, transport and rent continue to soar.<sup>4</sup>

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<sup>2</sup> Chwarae Teg (2019) *Deeds not Words, Review of Gender Equality in Wales*

<sup>3</sup> Chwarae Teg (2020) *Covid-19, Women, Work, and Wales*.

<sup>4</sup> Chwarae Teg (2019) *Trapped: Poverty amongst Women in Wales today*

- 1.2.1 As reported by the Living Wage Foundation, 42% of low paid women in Wales had already fallen behind on households bills, compared to 35% of low paid men.<sup>5</sup>
- 1.2.2 Furthermore, 54% of young women reported it being a ‘real struggle’ to make cash last until the end of the month, rising to 75% of single mums.<sup>6</sup> 23% reported that they have sometimes had to choose between food and heating, rising to 55% of single mums and 33% of mums with joint childcare responsibility.<sup>7</sup>
- 1.2.3 Rising costs are also having a marked impact on women’s health. 50% of low paid women said that their level of pay affected their levels of anxiety, compared with 38% of low paid men,<sup>8</sup> and 8 out of 10 women say that financial anxiety is keeping them awake at night.<sup>9</sup>
- 1.3 Due to a lack of available disaggregated data on the matter, it is difficult to ascertain the full impact of funding relating to the recovery of the pandemic on women. While Government measures to assist with recovery and mitigate cost of living pressures are welcome - for example increased funding for the Discretionary Assistance Fund (DAF), fuel support schemes and cost of living payments - we are concerned that they do not go far enough to protect the most vulnerable households from poverty.
  - 1.3.1 For example, it is questionable whether support measures such as the council tax rebate for bands A-D has reached those most in need of support.
  - 1.3.2 Furthermore, hardship payments have been awarded at a household level, assuming that income is always shared equally among members therein, a fact which we know to be untrue.<sup>10</sup> This makes determination of the impact on women difficult to ascertain and undermines women’s access to an independent income.
  - 1.3.3 While we welcome the roll out of Welsh Government’s *Claim What’s Yours* campaign to help ensure that people are accessing the benefits they are entitled to, it is unclear whether this information is reaching all vulnerable groups. Indeed, for ethnic minority women whose first language is neither English nor Welsh, the lack of accessible information in different languages is a crucial barrier to support.
- 1.4 To avoid further entrenching inequality, all future action must recognise the gendered nature of this crisis and implement an intersectional equalities perspective, taking account of women’s lived experience and the challenges they face.
- 1.5 As stated in our response to the Committee last year, we are keen to see investment in a cared recovery from the pandemic in order to address underlying inequalities and reduce the economic vulnerability of women in Wales. Investing in the sectors that can support women

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<sup>5</sup> Living Wage Foundation “Low paid work and cost of living crisis disproportionately affecting women” 8th March 2022 <https://www.livingwage.org.uk/news/cost-living-crisis-affecting-women> [Accessed Nov. 2022]

<sup>6</sup> Young Women’s Trust (2022) *Just Getting by: Young Women’s Trust Annual Survey 2022*

<sup>7</sup> Ibid.

<sup>8</sup> Living Wage Foundation “Low paid work and cost of living crisis disproportionately affecting women” 8th March 2022 <https://www.livingwage.org.uk/news/cost-living-crisis-affecting-women> [Accessed Nov. 2022]

<sup>9</sup> “Financial anxiety: survey reveals impact on women’s health” <https://www.livehealthily.com/cost-of-living/cost-of-living-survey> [Accessed Nov. 2022]

<sup>10</sup> Chwarae Teg (2019) *Trapped: Poverty amongst Women in Wales today*

through the crisis will not only aid Wales' economic recovery but will also support Welsh Government in its goals for creating a more equal Wales.

- 1.6 For example, a lack of affordable and accessible childcare provision remains one of the main barriers to women entering and progressing in work. As of 2022, a full-time nursery place for under 2-year-olds in Wales costs an average of £246.79 per week,<sup>11</sup> which amounts to an 8.3% increase from the previous year.<sup>12</sup> High costs and insufficient provision are having a disproportionate impact on mothers in particular, many of whom are now being forced into deciding whether they can afford to work.
  - 1.6.1 In this context, we very much welcome the expansion of Wales' Childcare Offer to parents in education and training and the commitment to expand free part-time provision to more two-year old children through the Flying Start programme. We are also pleased to see the rollout of a new Wales-wide online childcare application to simplify the process for parents.
  - 1.6.2 Nevertheless, rising costs continue to be prohibitive, especially for those ineligible for subsidised provision. Consideration must be given as a matter of urgency to how subsidised childcare can be made available to a much wider group of people and reach those most in need.
- 1.7 Another key area in need of investment is social care, within which women make up 78.7% of workers. While the government commitment to ensure payment of the Real Living Wage for all social care workers is very welcome, issues remain with regards to the terms and conditions of employment, including the prevalence of precarious zero-hour contracts, the lack of job security and a shortage of training and progression opportunities.
  - 1.7.1 Further investment and the adoption of an ethical care charter is necessary to reduce the economic vulnerability of social care workers, the majority of whom are women, and increase fair work opportunities in Wales.
- 1.8 As we continue to navigate the cost of living crisis, it is vital that Wales' recovery and crisis response addresses the underlying structural inequalities that have left women more vulnerable to the impacts of the pandemic and current crisis. Failure to do so risks replicating the same unequal pattern across all future crises.

## **2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?**

- 2.1 Due to persistent gender stereotypes and an unequal sharing of care responsibilities, women occupy an unequal position in Wales' economy.

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<sup>11</sup> Coram Family & Childcare Trust (2022) *Childcare Survey 2022*

<sup>12</sup> Coram Family & Childcare Trust (2022) *Childcare Survey 2022*/Coram Family & Childcare Trust (2021) *Childcare Survey 2021*

NB: the methodology used by Coram for year on year increase uses only data from local authorities where there is data available for both years. As such, the 2022 report notes an increase 3% of 25 hours for children aged 2, and 3.7% for 50 hours. Above we have noted the percentage difference in the reported average costs for each year.

- 2.1.1 Wales' gender pay gap in 2022 stands at 11.3%.<sup>13</sup>
- 2.1.2 Women are more likely to be in part-time work with 39% of women working part-time hours compared to 12.1% of men.<sup>14</sup>
- 2.1.3 Women are more likely to be on insecure contracts and employed in lower-paid jobs.<sup>15</sup>
- 2.1.4 Women are also more likely than men to be economically inactive. Data reveals that 27.3% of women are economically inactive compared to 19.8% of men.<sup>16</sup>
- 2.2 These issues are even more acute for women who experience intersectional disadvantage and further barriers to workforce participation.
- 2.3 This inequality means that women in Wales are more reliant than men on public services, such as childcare and public transport. As the costs incurred by businesses in delivering these services continue to rise in the current cost of living crisis, we are concerned that women will be hit particularly hard due to a disproportionate increase in the cost of the services they use and need.
  - 2.3.1 To reduce the impact on women's incomes and mitigate rising costs, Welsh Government should consider establishing an emergency support funding programme, using similar mechanisms to the COVID support programmes, to help the businesses most acutely affected by cost of living pressures. This could be either in the form of grants, low-cost loans, or a combination of the two.
  - 2.3.2 Welsh Government should also consider using business rate relief to support the most affected businesses until inflation returns to a level close to the Bank of England's target.
- 2.4 The unequal position of women in Wales' economy not only results in hardship on women, but it also impairs Wales' economic recovery.
  - 2.4.1 Analysis carried out by Chwarae Teg in 2018 indicated that £13.6 billion could be added to Wales' economy as a result of gender equality in the labour market.<sup>17</sup>
  - 2.4.2 Taking measures to increase women's employment rates, hours worked and participation in high productivity sectors can therefore help expand Wales' productive capacity and boost its economic performance.
- 2.5 Existing labour market imbalances can be lessened by investing in a care-led economy, which reduces the barriers that women face when entering or progressing in the workplace. Making care a key sector in our national economic strategy and investing in social infrastructure such as childcare, social care, health care and education, would allow women to engage with the economy and achieve their economic potential.
- 2.6 A crucial barrier that women in Wales encounter is the lack of available, accessible and flexible childcare provision.
  - 2.6.1 As mentioned above, the rapidly rising costs of childcare are prohibitive and out of reach for many families in Wales, especially those who are not eligible for subsidised provision.

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<sup>13</sup> ONS (November 2022) *Annual Survey of Hours and Earnings (ASHE) 2022*

<sup>14</sup> ONS, *Annual Population Survey* (July 2021-June 2022) Accessed via Nomis 16.11.22

<sup>15</sup> Chwarae Teg (2022) *State of the Nation 2022*

<sup>16</sup> ONS, *Annual Population Survey* (July 2021-June 2022) Accessed via Nomis 16.11.22

<sup>17</sup> Chwarae Teg (2018) *The Economic Value of Gender Equality in Wales*

They also disproportionately impact women, who tend to have lower incomes and bear an unequal burden of childcare responsibilities. In this context, many women are being forced to reduce their paid hours or leave the workforce all together, as they can no longer afford to pay for childcare.

- 2.6.2 According to the latest ONS labour market statistics, from June to August 2022, 27.6% of women were economically inactive by reason of looking after family or the home.<sup>18</sup>
- 2.6.3 Thus, while we welcome the recent expansion of Wales' Childcare Offer and part-time provision to more two-year-olds through Flying Start, we believe more can be done to support women in entering, remaining and progressing in employment.
- 2.6.4 To provide a truly accessible childcare system, Welsh Government must accelerate progress towards a long term-aim of providing free universal childcare for all 0–4-year-olds and ensure that further expansion of the Childcare Offer lays the foundation for this essential goal. This will allow more mothers to enter, progress and remain in their employment, therefore unlocking a major source of growth for the Welsh economy.
- 2.7 Another issue which impacts women's contribution to the Welsh economy is their underrepresentation in some of the most well-paid and high productivity sectors such as manufacturing and IT.
  - 2.7.1 In 2021, only 23.4% of those working in the manufacturing sector were female.<sup>19</sup> Similarly, only 32.9% of IT employees were women.<sup>20</sup>
  - 2.7.2 By promoting female participation in these sectors, Welsh Government has the potential to increase Wales' productivity and in turn, its economic growth.
  - 2.7.3 To do so, the new Employability Plan should be supported with investment in employability programmes and interventions designed with women's needs in mind. This is particularly pertinent as many targeted programmes that support women, such as Chwarae Teg's Agile Nation 2 programme, are set to come to an end by May 2023.
- 2.8 As EU funding comes to an end and Wales transitions to the UK Shared Prosperity Fund (SPF), we are concerned that tackling these barriers may become more challenging.
  - 2.8.1 The 'place' as opposed to 'people' based nature of the UK Government's approach to *Levelling Up* risks overlooking communities of people - including women, people of colour and disabled people - who experience common barriers to the labour market regardless of their geography. This, in turn, may lead to funding of ineffective interventions and needless duplication.
  - 2.8.2 While we recognise the difficult position of Welsh Government with regards to the way in which post-EU funding is managed, in these circumstances it is vital that equality remains a core focus of the upcoming Welsh Government Budget. By implementing the

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<sup>18</sup> ONS (2022) INAC01 SA: *Economic inactivity by reason (seasonally adjusted)*  
<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjustedinac01sa> [Accessed Nov. 2022]

<sup>19</sup> Chwarae Teg (2022) *State of the Nation 2022*

<sup>20</sup> Ibid.

recommendations of the Gender Equality Review, *Deeds Not Words*<sup>21</sup> and mainstreaming equalities into all budgetary and policy decisions, Welsh Government can address the barriers that women face to employment and therefore boost Wales' productivity and economic growth.

**How financially prepared is your organisation for the 2023-24 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?**

2.9 WWBG is currently incubated by Chwarae Teg, both of which are third sector organisations. In the context of pandemic recovery and the cost of living crisis, bodies within this sector are experiencing soaring demand and rapidly rising operational costs. These pressures are further compounded by the loss of EU funding and the transition to the UK SPF, which represents a significant loss in funding for Wales. Third sector organisations are therefore finding themselves in increasingly uncertain fiscal positions, with many facing downsizing or closure at a time when their services are most needed.

2.9.1 These issues have also problematised recruitment and retention within the sector, as organisations cannot compete with more competitive salaries on offer in other sectors. This has resulted in unfilled vacancies, high turnover rates and reduced capacity. In the face of spiralling need, these issues risk having a significant impact on the ability of third sector organisations such as WWBG and Chwarae Teg to provide specialist service and deliver on planned objectives. Reduced capacity and uncertainty around funding also makes it difficult to plan strategically for the future.

2.9.2 The pressing need for more sufficient funding for third sector bodies is therefore a key issue that must be addressed in this year's Budget.

**3. With inflation and cost of living issues continuing to escalate, what action should the Welsh Government take to help households cope with this latest crisis?**

3.1 The cost of living crisis has had a profound impact on households throughout Wales. However, its impacts have not been felt equally. Deep-rooted gender inequalities have been compounded by the crisis and have left women in Wales more vulnerable to the worst of its economic impacts.

3.2 The unequal positions of women in the labour market and the household mean that they are more likely to be living in poverty as the prices of food, energy, transport and rent continue to soar.<sup>22</sup> This reality is even more acute for disabled women, ethnic minority women, refugee and asylum-seeking women, LGBTQ+ women, older women and women from deprived areas, who experience greater labour market inequality and are thus more at risk as the cost of living crisis continues to bite.

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<sup>21</sup> Chwarae Teg (2019) *Deeds not Words, Review of Gender Equality in Wales*

<sup>22</sup> Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

- 3.3 Persistent gender roles also mean that women tend to be the ‘shock absorbers of poverty,’<sup>23</sup> in lower income households. Evidence has shown that many women take responsibility for the management of household budgets and often go without – skipping meals or going without outdoor clothing – to provide for their families when the cost of living increases.<sup>24</sup>
- 3.4 While we welcome Welsh Government measures to help households manage the cost of living crisis, including hardship payments, various support schemes and the roll out of its *Claim What’s Yours* campaign, it is unlikely that these efforts will go far enough to protect millions of households falling into poverty as costs continue to rise.
- 3.4.1 The situation is further problematised by the lack of a comprehensive strategy to tackle poverty in Wales, which makes it much harder for Welsh Government to direct resources and measure the effectiveness of specific interventions.
- 3.5 There is a clear need for more targeted support to help those most at risk cope with the cost of living crisis. To avoid further entrenching gender inequalities, all future action taken to address the crisis must be considered from an equalities perspective, taking account of women’s lived experiences and responding to their needs.
- 3.5.1 To do so, it is vital that Welsh Government ensures that disaggregated cost of living data for Wales is regularly available.
- 3.6 In the short-term, Welsh Government can undertake a number of measures to reduce pressure on women’s incomes:
- 3.6.1 **Social security:** Urgent action is needed to strengthen support available through the social security system. Due to their caring responsibilities, women in general are more dependent on social security than men.<sup>25</sup> Although most powers to change benefits are reserved to Westminster, Welsh Government can help women and other vulnerable groups cope with rising costs by accelerating work towards means-tested support schemes in a Welsh benefits system and a one-stop-shop portal to access support.
- 3.6.2 **Childcare:** The lack of affordable, accessible and flexible childcare provision continues to exert significant influence over women’s paid work, often shaping whether they are in work, the hours they work and the opportunities they have for progression. In the context of the current crisis, spiralling costs are forcing many women out of the workforce and further into poverty. Welsh Government can help prevent this by allocating more resources to improve Wales’ Childcare Offer, widening its eligibility, and accelerating the roll out of free childcare to more two-year-olds through the Flying Start programme. Doing so can help accelerate progress towards the essential longer-term aim of providing free universal childcare to all 0-4 year olds in Wales.
- 3.6.3 **Rent control:** Welsh government can also help relieve pressure on household incomes by regulating or freezing rents in the private rental sector. Implementation of the Renting

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<sup>23</sup> UK Women’s Budget Group (2022) *The gendered impact of the cost of living crisis*

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.



Homes Act is essential to strengthen protections for tenants and the commitment to publish a White Paper to include proposals on a system of fair rents must be accelerated.

3.6.4 **Accessibility:** To ensure information is accessible to all, consideration should be given to a cost of living helpline to provide a one-stop-shop for advice on all available support and increasing the availability of resources in languages other than English and Welsh.

3.7 Longer-term, Welsh Government must take further action to tackle gender inequality at its root. By implementing the recommendations of the Gender Equality Review *Deeds not Words*<sup>26</sup> in full, Welsh government can embed an intersectional equalities lens into all future spending decisions, thereby producing budget decisions that are truly gender equal. It is only by doing so that Welsh Government can address the vulnerability of women in Wales' economy and society and achieve its goals for creating a more equal Wales.

3.8 Welsh Government should also develop and implement a clear and comprehensive strategy to tackle the poverty problem in Wales, so that resources can be directed in a more strategic way to help the households most in need.

**4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?**

4.1 Welsh Government plans to transition to a greener economy have differential impacts on women and men. A key focus of these plans is the decarbonisation of high-carbon sectors within the Welsh economy such as energy, manufacturing and transport.<sup>27</sup>

4.1.1 These sectors are overwhelmingly male dominated, with only 10.2% of women working within them.<sup>28</sup> This gender segregation means that women are much less likely to benefit from government investment and emerging jobs and training created as a result of net zero action.

4.1.2 The focus on decarbonisation also overlooks sectors of the Welsh economy that are already green and traditionally dominated by women, for example health, social care and education.<sup>29</sup> Investment in a care-led economy would therefore not only accelerate progress towards gender equality in Wales but it would also represent a major and more inclusive step towards a greener economy.<sup>30</sup>

4.2 To ensure a just transition to a greener economy, we echo the recommendations of the Chwarae Teg report *Towards a Gender Equal Wales: Responding to a Transforming Economy*<sup>31</sup>:

4.2.1 Welsh Government should create a clear career pathway into Green STEM jobs, that is focused on supporting women and under-represented groups.

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<sup>26</sup> Chwarae Teg (2019) *Deeds not Words, Review of Gender Equality in Wales*

<sup>27</sup> Chwarae Teg (2022) *Towards a Gender Equal Wales: Responding to a Transforming Economy*

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

- 4.2.2 Welsh Government should work with Welsh HEIs to create a qualification in agroecology, to support greener agricultural processes and engage more women in the rural economy.
- 4.2.3 Welsh Government must adopt a broader definition of a “green economy” moving beyond decarbonisation and recognising other vital low carbon sectors.
- 4.2.4 Welsh Government must invest in the care sector to support a shift to even greener ways of working.
- 4.2.5 Welsh Government should unlock the potential of retrofitting homes to deliver social justice by prioritising homes in the most disadvantaged communities to address issues of fuel poverty and setting a target for a proportion of all jobs and training opportunities to be filled by women and other under-represented groups.
- 4.2.6 Welsh and Local Government should also commit to democratising decision-making about climate change and the transition to a green economy, including greater use of citizen assemblies and other inclusive engagement tools.

**5. The Committee would like to focus on a number of other specific areas in the scrutiny of the budget. Do you have any other specific comments in any of the areas identified below?**

**Welsh Government policies to reduce poverty and gender inequality. Is enough support being given to those people living in relative income poverty?**

- 5.1 As highlighted above, structural gender inequalities mean that women are more likely to be living in relative income poverty as the cost of living crisis continues to bite. While government support measures to deal with the crisis are welcome, it is imperative that action is taken to address the root causes of these inequalities and eliminate the economic vulnerability of women in Wales.
- 5.2 The WWBG welcomes Welsh Government commitments to embed gender budgeting across its work and are pleased to see some progress on these commitments over the last year.
  - 5.2.1 We are particularly pleased to see work being undertaken by government officials and other stakeholders through the Budget Improvement and Impact Advisory Group (BIIAG) regarding the Strategic Integrated Impact Assessment (SIIA) and how it informs the Welsh budgetary process. To avoid entrenching inequalities, spending decisions taken by Welsh Government must be based on robust equalities and impact analysis, providing a clear rationale and evidence base explaining why they have been taken. We hope to see a clear plan for meaningful change and strengthening of impact assessment included in this years’ Budget Improvement Plan.
- 5.3 While we welcome Welsh Government’s continued piloting of gender budgeting, which began with the Personal Learning Accounts pilot and continues with the Young Person’s Guarantee and Active Travel pilots, we are concerned that progress in these areas has been slow.
  - 5.3.1 We are still awaiting the external evaluation of the Personal Learning Accounts pilot, the findings of which will help to inform current pilots and progress towards a wider equalities mainstreaming approach. We are keen to know whether the pilot informed spending

decisions to date and whether policies have been adjusted or reviewed as a result of equalities analysis.

- 5.3.2 More information is also needed regarding the gender budgeting pilots currently underway. Specifically, we would like to know what gender budgeting tools have been used, the pilot aims and timescales as well as how success has been or will be evaluated and measured.
- 5.3.3 To ensure that these pilots are successful and constructive, helping to facilitate the emergence of a wider gender budgeting approach across the Welsh Government, this information must be clarified, and the publication of the Personal Learning Accounts evaluation sped up.
- 5.4 Welsh Government must also go further to tackle the structural inequalities that persist in Welsh society. The recommendations of the Gender Equality Review, *Deeds Not Words*<sup>32</sup>, clearly outline a radical new way of embedding a gendered equalities lens into the work of Welsh Government and accelerating progress to a more equal Wales. Yet, three years after their publication, many of these recommendations remain outstanding.
  - 5.4.1 It is only through the mainstreaming of robust equalities analysis that decision-making can truly meet the needs of women and address the structural inequalities that leave them more vulnerable to poverty and debt.
  - 5.4.2 Welsh Government must therefore take urgent action to implement the Gender Equality Review recommendations in full and roll out gender budgeting approaches across its wider work.
- 5.5 We are aware that this may require a gender budgeting training program to build capability and competence across Welsh Government in the tools and approaches used. The WWBG are keen to engage with Welsh Government to assist with the development of such training and help officials develop the skills necessary to implement robust gender budgeting processes in their work and budgetary activities.
- 5.6 To address the wider poverty problem in Wales, Welsh Government must also develop a specific strategy aimed at tackling poverty, so that multiple root causes can be addressed, and resources directed in a more strategic way to help those most in need.

**Whether it is clear how evidence and data is driving Welsh Government priority setting and budget allocations.**

- 5.7 To tackle structural inequality, Welsh Government must clearly demonstrate how its priorities and allocations are informed by the impact on gender and other groups. To do so, full use of equalities evidence and disaggregated data is critical.
- 5.8 However, the lack of available disaggregated data – differentiated both by Wales and by gender - makes it difficult to understand impact on different groups. Welsh Government must ensure the availability and disaggregation of this data as a matter of routine and use it to inform policy and spending decisions.

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<sup>32</sup> Chwarae Teg (2019) *Deeds not Words, Review of Gender Equality in Wales*

5.9 WWBG are pleased to see work being undertaken to strengthen the Strategic Integrated Impact Assessment (SIIA) and hope that it will facilitate more engagement with equalities data to explain the rationale behind Welsh Government priorities and budget allocations. We hope to see a clear plan for change and improvement of the SIIA in early 2023.

**Is support for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?**

5.10 The impacts of the pandemic and the cost of living crisis have meant that third sector organisations are facing increased need alongside spiralling operational costs. Combined with the loss of EU funding, these issues have left the third sector in a precarious economic position, with many organisations facing downsizing or closure.

5.10.1 This not only represents a loss of employment for many people, but also a loss of vital expertise and support for the most vulnerable groups across Wales at a time when it is most needed.

5.10.2 The loss of EU funding and transition to the UK SPF also presents a challenge for third sector organisations tackling issues such as inequality and poverty. The place-based nature of the UK Government's *Levelling Up* risks overlooking communities of people who share common barriers to full participation in the labour market and society regardless of their geography and in so doing. In doing so, it may problematise tackling these issues in a strategic way.

5.11 Funding issues are also impacting recruitment and retention within the sector. We are seeing increased reports of charities being unable to fill vacancies, particularly in service delivery, accompanied with high turnover rates. One of the major reasons for this is that the sector cannot compete with more competitive salaries on offer in the public sector. As the demand for services continues to grow, insufficient funding and issues with recruitment risk having a significant impact on the ability of specialist service providers to meet need.

5.12 We recognise that the Welsh Government are in a difficult position and that they too are operating in an increasingly difficult fiscal space as the cost of living crisis bites. However, to avoid entrenching long-standing inequalities and safeguard support for vulnerable groups, it is vital that third sector organisations are given the funding they need to provide specialist services and tackle inequality in Wales. We hope to see this vital issue addressed fully in this year's Welsh Government Budget.

**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)?**

5.13 One of the goals of the Wellbeing of Future Generations Act is to realise 'a more equal Wales: a society that enables people to fulfil their potential no matter what their background or circumstances.'<sup>33</sup>

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<sup>33</sup> Future Generations Commissioner for Wales (2015) *Wellbeing of Future Generations (Wales) Act 2015*

- 5.14 As we have noted throughout our response, Welsh Government can deliver against this aim by investing in a care-led pandemic recovery and response to the cost of living crisis.
- 5.15 The pandemic demonstrated how the care sector and social infrastructure is central to our well-being as a society. In order to progress towards a more caring, green and equitable economy, Welsh Government must prioritise care as a key sector in our national economy and allocate resources accordingly.
- 5.16 More specifically, we would like to see investment in the following areas to achieve a truly equal Wales;
  - 5.16.1 **Childcare:** While we welcome the recent expansion of Wales’ Childcare Offer, the lack of affordable and accessible childcare provision remains one of the main barriers to women entering and progressing in work. Welsh Government should accelerate progress towards the longer-term aim of providing free, universal childcare provision for all 0-4 year olds to reduce the unequal care burden on women.
  - 5.16.2 **Social Care:** Despite being essential to our wellbeing and economy, health and social care workers – the vast majority of whom are women – remain undervalued and their terms and conditions of employment remain problematic. Further investment and the implementation of an ethical care charter is necessary to allow more women to engage with the economy and deliver fair work in this sector.
  - 5.16.3 **Training and development:** Welsh Government should also invest in the employability of women through targeted employability programmes to allow them to enter and progress in the labour market.

For more information please contact:

Hannah Griffiths  
**Wales Women’s Budget Group**  
**Co-ordinator and Policy Assistant**

Natasha Davies  
**Chwarae Teg Policy and Research Lead**



[Redacted email address]



[Redacted email address]



[Redacted phone number]



[Redacted phone number]