



Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

18th November 2022

Dear Peredur Owen Griffiths MS,

RE: Welsh Government Draft Budget 2023 - 2024

Barnardo's Cymru welcomes the opportunity to feed into this consultation ahead of the budget, which comes at an urgent time for many children and young people in Wales.

We have responded to the questions from the consultation response which are relevant to the children, young people and families that are supported by Barnardo's Cymru.

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?

We discuss below the ways in which Barnardo's is supporting the ongoing provision of commissioned services with charitable funds.

Organisationally, Barnardo's is prepared for 2023/24 but our services are under sustained financial pressure with examples of services having received no uplift for several years already, for example:

- A Barnardo's service providing support to young carers has been in receipt of the same funding envelope for 5+ years without uplift. Staff have gradually had to reduce their hours over that time as a result, impacting upon service delivery. This has also meant that any small budget available for support and activities etc was swallowed long ago meaning that we rely predominantly on

donations to give young carers opportunities to engage socially and leave their caring roles for activities and events.

- A Barnardo's leaving care service has been retendered at the same value for 11 years. The only way that we can continue to provide a full service is by supplementing the contract with grant funding, otherwise we would have been forced to reduce staff hours whilst still trying to meet the same pressing need. This service has also not been given budget uplifts for the last six years, meaning that staff wage increases have been limited, making it much harder to recruit and retain staff. We have had to use charitable grants to manage very real staffing needs and pressures.

The consequence of such a long period without an uplift is that services have faced a real-terms cut as inflation rises and the cost-of-living affects services and our staff at the same time as the people we are striving to support.

These examples demonstrate the ways in which services are under sustained and immense financial pressure, whilst striving to meet increased demand and complexity within high caseloads. This is a case for serious concern and one which poses risks for the future. We expect our ability to bid for contracts will diminish as we will not be able to afford to deliver them safely and to the levels of quality we strive to achieve on behalf of children, young people, and families. We discuss this further in relation to sustainability of public sector services below.

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

Based on our work with children, young people and families there are a number of recommendations we would make of Welsh Government in relation to the cost of living:

1. Winter fuel support scheme

We cover the implementation of the Winter Fuel Support Scheme below. We would call on Welsh Government to commit to a further payment under the scheme in 2023, given that the energy crisis is unlikely to abate any time soon and low-income households are already struggling to maintain payments¹. Consideration needs to be given to those families on oil in our more rural communities. Do they need different and additional support from Welsh Government? Also, families on pre-payment meters

¹ 8% of people in Wales or more than 100,000 households are already living on a negative budget according to Citizens Advice Cymru: <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/citizens-advice-cymru-wales-policy-research/wales-cost-of-living-briefing-cymru-papur-briffio-costau-byw/>

need to be prioritised to be switched wherever possible to non-pre-payment as this perpetuates a very real poverty tax. Those on pre-payment meters are disproportionately on the lowest incomes, including 30% of the poorest fifth of the population according to the Resolution Foundation². The Foundation's research has found that the median disposable income of a households with a pre-payment meter is less than £1,250 per month, which means come January 2023, energy bills will consume just under half of these families' budgets.

2. Uplifting Education Maintenance Allowance (EMA)

Over a third of children (34%) live in poverty in Wales.³

We know that young people often face some of the worst consequences of financial crises, and recent Resolution Foundation research has found that young people are likely to be the hardest hit by energy price hikes. The Foundation found that younger households are up to four times more likely to be on pre-payment meters, preventing them from spreading energy costs out evenly throughout the year but they also have fewer savings to fall back on compared to older age groups⁴. Moreover, in a recent focus group we conducted with young carers aged 16–19, young people shared their fears that the cost-of-living crisis would affect their lives in the long-term by preventing them from getting jobs or being able to afford to attend the university of their choice.

With this in mind, we would ask Welsh Government to consider if there is space for the Educational Maintenance Allowance (EMA) which allows young people to access further education and build towards future ambitions, to be uplifted to meet the rising cost of living and inflationary pressures being experienced by all households.

We would further raise the fact that EMA is based upon attendance, which for young carers can be severely hampered by their caring responsibilities. Young carers tell us that they feel penalised compared to their peers when they miss out on vital payments because of lateness or absence that is attributable to their caring role. We would welcome any work Welsh Government could do to review and make changes to EMA to create a fairer playing field for young carers.

3. Free public transport for under 18s

² <https://www.resolutionfoundation.org/app/uploads/2022/08/A-chilling-crisis.pdf>

³ <https://gov.wales/measures-poverty-april-2020-march-2021>

⁴ <https://www.resolutionfoundation.org/press-releases/older-generations-will-face-the-greatest-income-squeeze-from-surging-energy-costs-this-winter-but-young-people-will-struggle-most-to-afford-their-bills/>

Research⁵ tells us that affordable public transport is critical for young people from deprived backgrounds; around a third of young people not in education, employment, or training (NEET) may have accessed these opportunities if their transport costs had been reduced.

Opening up public transport to young people by removing financial barriers would help them access jobs, training, education and further enrichment activities. It would help overcome financial and geographical barriers that many young people feel across Wales. This is also true for parents with young children in rural areas who need to access services and support.

For young people leaving care, we would recommend that Welsh Government offer free public transport up to the age of 25.⁶

4. Take swift action on maximising income of Welsh households

It is well-established that there is a problem with the lack of take-up of Welsh benefits by households⁷. Welsh Government has committed to a Welsh Benefits Charter, and we would urge them to accelerate this work to ensure that as many households as possible are accessing the financial support that they are entitled to.

The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on 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?

We welcome the investment that Welsh Government makes in income maximisation for Wales, but this is undermined by low uptake of several schemes.

Welsh Government officials tell us that in 2021/22 20% of eligible people in Wales missed out on the Winter Fuel Support Scheme. Whilst we welcome the efforts to expand eligibility for 2022/23, we are concerned that there could, once again, be thousands of people who do not take up support.

Furthermore, we are concerned that people who might already be in council tax arrears or behind with their rent (of which there are currently high numbers) will be reluctant to contact their local authorities to discuss

⁵ Titheridge, H., Christie, N., Mackett, R., Ovideo H., D. and Ye, R. 2014. Transport and Poverty: A review of the evidence. UCL Transport Institute. Available at <https://discovery.ucl.ac.uk/id/eprint/1470392/>

⁶ <https://cms.barnardos.org.uk/sites/default/files/2022-06/Transport%20for%20Freedom%20-%20Barnardo%27s.pdf>

⁷ <https://publications.parliament.uk/pa/cm5802/cmselect/cmwelaf/337/report.html>

accessing the Winter Fuel Support Scheme, and this could in turn drive down uptake. We look forward to working with Welsh Government to drive uptake for this scheme, and hope to see further steps by local authorities to simplify processes and automate payments where possible, alongside a wide-reaching communications campaign.

We have urged Welsh Government to press ahead with other poverty-tackling schemes such as expanding free childcare to all two-year-olds, irrespective of their parents' employment or training status, as this could help mitigate some of the social consequences of poverty and the cost-of-living on our youngest children.

We welcome the Basic Income Pilot and the potential this has to prevent care-experienced young people from experiencing poverty early in their adult lives. However, we would welcome more detail from Welsh Government on how the benefits of this scheme will be felt for participants in the longer term, rather than just during the 2-year payment window.

We welcome the news that Welsh Government will revisit a Child Poverty Strategy, which we believe is crucial in drawing together the various strands of support and ensures this is an agenda that is driven in all parts of government and across multiple sectors.

– How/whether the approach to preventative spending is represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Welsh Government has made commitments in the Programme for Government to reduce the number of children coming into local authority care. This is something that Barnardo's Cymru stands firmly behind, as an objective that can create better outcomes for children and young people. It is also a way in which Welsh Government can reduce expenditure and demand on services by investing in keeping children safely with their families and out of local authority care.

Barnardo's Cymru's position is that further action is needed to meet the commitment to keep more children safely within families. There are a number of evidence-based interventions which can help keep families together where there is a risk that a child might otherwise be taken into care, and we would urge Welsh Government to invest in this preventative spending in the coming financial year. We are particularly concerned about how preventative budgeting can be maintained within children's services in the face of potential cuts because of the difficult financial circumstances facing Welsh Government and local authorities. Without protecting the funding that is put aside for children on the edge of care

and in local authority care, we risk both undermining our commitment to investing to prevent more children from going into care, but also exposing some of Wales' most vulnerable children to the worst consequences of poverty and the cost of living.

Edge of care interventions that can safely help families stay together include working pre-birth with families where there is a risk that a new-born baby would be taken into care⁸, supporting the parents of children who have been permanently removed through programmes such as Reflect,⁹ as well as targeted and specific interventions such as specialist domestic abuse services and family substance misuse support. However, in the case of services such as Baby & Me, they exist in specific geographical locations (Baby & Me operates only in Newport, whereas Reflect is in most local authorities in Wales) and so, again, the preventative aspect of investing in these services will be limited in terms of results until we invest in Wales-wide preventative edge of care provision.

We also have significant concerns about whether the ambition to see fewer children enter local authority care can be realised in the face of such financial pressures on local authority budgets. This will be a serious concern as we go into the 2023/24 financial year, and these concerns have been raised by the Wales Local Government Association.¹⁰

Furthermore, new research shows that Wales has not yet made enough progress on preventing repeat removals of children, despite there being spots of excellent support in small geographical areas.¹¹ We would urge Welsh Government to explore how preventative budgeting can ensure that we begin to cut back on repeat removals of children, particularly in the case of young mothers, and those that are care-experienced.

In a recent Barnardo's focus group, care-experienced young people shared the importance of early intervention to them. One young person expressed his hope that more money would be invested in prevention work to keep families together, discussing the fact that while he was taken into care as a baby, by the time his sisters were born years later his Mum had received support and was able to keep her daughters in her care, while he remained in the care system. He asked why it took so long to support his Mum, and why this support couldn't have been provided sooner so that he too could have remained in the care of his family. This one example demonstrates the power of preventative spending on edge of care services, and we would urge Welsh Government to explore how

⁸ <https://www.barnardos.org.uk/what-we-do/services/baby-me>

⁹ <https://www.barnardos.org.uk/what-we-do/services/reflect-cymru-gwent>

¹⁰ <https://www.wlga.wales/welsh-local-government-calls-for-stability-from-uk-government>

¹¹ Nuffield Family Justice Observatory "Recurrent Care Proceedings – Five Key Areas for Consideration from Research" May 2021 <https://www.nuffieldfjo.org.uk/resource/recurrent-care-proceedings>

this funding can be maintained and protected under difficult economic circumstances.

– The sustainability of NHS, social care, further and higher education, local government and other public services more generally. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

We have significant concerns about the sustainability of programmes such as Families First if current circumstances persist due to significant budgetary and other pressures. Families First services were designed to provide early intervention and prevention services for families in need. However, due to rising statutory thresholds, increasing demand¹² and the complexity of need which families are experiencing¹³, in many places Families First now effectively occupies an edge of care role. This leaves a gap where there should be support for families who require an early intervention or prevention response.

Inflation is also having a severe impact on the delivery of Families First provision and the ability of teams to feel that they can meet high levels of need in the community. With no uplift to many contracts for many years, services have seen significant real terms cuts. In Barnardo's, commissioned services have been supplemented by charitable funds simply to maintain the level of service, which cannot feasibly continue.

This is only one example of public sector services that are struggling to maintain their role in a post-Covid, cost-of-living landscape. Without significant thought and investment from Welsh Government, we are concerned about the future for services such as these.

In relation to the workforce, Wales is facing a social care crisis across the sector that is already having significant effects on the landscape, with a recruitment and retention crisis that is bringing further stress to the sector.

The social care system is under significant stress for a multitude of reasons including high caseloads, staffing issues, risks relating to

¹² Barnardo's reporting showed that During 2021-2022 a Families First service received a total of 213 new referrals – an increase of 64%, and engaged with 330 families, an increase of 42%.

¹³ Barnardo's reporting found that a Families First Service has seen an increase in the Main Reason for Referral – more families are being referred due to poor mental health and emotional wellbeing:

- 23 families in Quarter 3
- 40 families in Quarter 4 (an increase of 74%)

safeguarding and much more.¹⁴ This is a serious concern for the coming financial year.

We would urge Welsh Government to invest in new efforts to ensure that children's social care is viewed as an attractive career opportunity that is well-paid, respected and supported. This should include support for training and education, and a campaign focusing on the huge contribution of the social care sector to the lives of children and young people. Children's social care staff are as important to our society as NHS staff, and we would look to the efforts to support NHS staff in recent years as an example of the perception of a social care career that must be fostered.

As part of making children's social care an attractive career, and to encourage more people to consider working in the sector, we must tackle the demonisation of social workers that has taken place in parts of the media, and the abuse that social workers often receive that would not be tolerated in other professions (whilst continuing to ensure that where there are mistakes or poor practice these are addressed robustly). We hope to work with Welsh Government on this.

If we do not invest in the future of the workforce, the social care workforce crisis will become even more acute at a time when we will rely on staff to deliver stability and certainty to young people through troubling times.

There needs to be a greater emphasis on collective collaboration across sectors to resolve these issues. Including taking a systemic view of the whole health and social care workforce and how we value all roles in achieving our shared aims. In this time of austerity, we need to understand where the most important elements are of spend to save.

– Support for children and young people whose education, development, and mental health and well-being have been affected by the pandemic. Is there enough infrastructure investment targeted at young people?

The whole-school approach to mental health is an important part of building the infrastructure needed around children as they readjust and

¹⁴ Children's social services and care rates in Wales: A survey of the sector CASCADE Centre for Children's Social Care and Wales Centre for Public Policy, Cardiff University September 2021
https://www.wcpp.org.uk/wp-content/uploads/2022/03/220216-Childrens-social-services_en_final.pdf

recover from the effects of the pandemic. We look forward to seeing how this embeds in Welsh schools and want to support it wherever possible.

Whole family mental health investment should come hand in hand with a systemic approach to supporting children, young people, and families to recover from the pandemic. Barnardo's research – as well as our experience within services – demonstrates that working with the whole family cuts down siloes and helps change the environment which might have led to a child or young person developing ill mental health in the first place.

There is evidence of transgenerational transmission of depression from parent to child, so intervening in the mental health of the whole family has potential for long term impact on family mental health and the mental health of the community more broadly.¹⁵

Our services which work with children and young people, and the extended family – which can include parents/carers, siblings, grandparents and more - find that whole-family support creates change in the environment in which mental health problems can develop. This gives children and families control over their support and interventions by determining what works for them, and helping the whole family move forwards, together and positively. It can also help families recover from trauma together, instead of creating siloes in care and recovery.¹⁶

We would urge Welsh Government to see whole-school mental health as part of a continuum of support that must be extended to children and young people as widely as possible and ensure that whole families can access support together where this is the right option for them. We would also argue that this is a further example of preventative budgeting, by offering these interventions at the earliest possible stage, and by tying them to the proposed framework for social prescribing.

– 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?

We have raised our concerns around the future sustainability of many third sector services, which face such huge pressures related to increased demand, increased complexity, workforce issues and are battling against the impact of rising inflation. Barnardo's is using charitable funds to top-up commissioned services so that we can maintain a standard of delivery

¹⁵ Giannakopoulos, G., Solantaus, T., Tzavara, C. and Kolaitis, G. (2021). Mental health promotion and prevention interventions in families with parental depression: A randomized controlled trial. *Journal of Affective Disorders*, 278, pp.114-121

¹⁶ Barnardo's Whole-Family Mental Health Services are [Beyond the Blue](#), Neath Port Talbot and [Cardiff Family Wellbeing Service](#)

for children and young people. This is alongside the fact that many contracts have not been uplifted for many years, meaning that in real terms, funding to services has been cut substantially by as much as 12% - 24% over the term of a commissioned contract.

Ultimately, this is not a sustainable situation, and if inflationary and cost-of-living pressures continue to rise, it could become completely untenable in some cases.

We recognise the difficult financial situation facing Welsh Government and know that the challenges facing us all create difficult questions.

We welcome the opportunity to respond to this consultation at such a critical time and would be happy to provide further information if this would be useful.

Yours sincerely,



Sarah Crawley
Director of Barnardo's Cymru and South West

About Barnardo's Cymru

Barnardo's Cymru has been working with children, young people and families in Wales for over 100 years and is one of the largest children's charities. We currently run more than 60 diverse services across Wales, working in partnership with local authorities. Each year we regularly support more than 10,000 children, young people and families. We aim to secure better outcomes for more children by providing the support needed to ensure stronger families, safer childhoods and positive futures. We use the knowledge gained from our direct work to campaign to improve the lives of children, young people and families by promoting positive change in policy and practice. We believe that with the right help, committed support and belief all children can fulfil their potential.