

Paper 1

National Assembly for Wales

Children and Young People Committee

Evidence paper – Children and Young People Draft Budget Allocations for 2014-15.

1. Introduction

This paper provides comments and information to the Committee regarding Children and Young People future programme budget proposals outlined within the Draft Budget which was laid on 8 October 2013.

2. Background

Compared to the indicative plans published at Final Budget 2013-14, as restated following the reshuffle in March 2013, the total DEL allocation for the Communities and Tackling Poverty (CTP) MEG has increased by £0.4m in 2014-15 to £212.7m

There is a net decrease in Resource DEL of £3.6m in 2014-15 to £192.2m. The indicative plan for 2015-16 Resource DEL, which is published for the first time is £191.5m.

There is a net increase to the capital budget of £4m in 2014-15 to £20.5m, following an allocation to support the priorities in the WIIP to fund Flying Start settings. The indicative plan for 2015-16 Capital DEL, which is published for the first time is £14.5m.

The following summary financial tables show the overall effect on the CTP Departmental Expenditure Limit (DEL) baseline budget.

Summary Financial Tables:

CTP MEG	2013-14 Supp. Budget £000	2014-15 Indicative Plans Restated Final Budget £000	2014-15 Changes £000	2014-15 New Plans Draft Budget £000	2015-16 New Plans Draft Budget £000
Resource DEL	187,556	195,871	-3,625	192,246	191,534
Capital DEL	24,450	16,450	4,000	20,450	14,450
DEL Baseline	212,006	212,321	375	212,696	205,984

Within the CTP MEG, the specific impact on the Children, Young People and Families (CYP&F) budget is summarised in this separate table.

CYP&F	2013-14 Supp. Budget £000	2014-15 Indicative Plans Restated Final Budget £000	2014-15 Changes £000	2014-15 New Plans Draft Budget £000	2015-16 New Plans Draft Budget £000
Resource DEL	117,538	127,538	-1,925	125,613	127,413
Capital DEL	12,000	4,000	4,000	8,000	2,000
DEL Baseline	129,538	131,538	2,075	133,613	129,413

3. Budget Overview

The overarching aim of the Communities and Tackling Poverty Department is to unite the work of the Welsh Government and its partners in tackling poverty and achieving a fairer future for communities, families and individuals.

The Department has a number of specific priorities which reflect and support the delivery of the Programme for Government, many of which also have a direct impact on children and young people:

- supporting families and children, in particular through Flying Start and Families First;
- tackling poverty and promoting community resilience including Communities First;
- mitigating the impact of welfare reform;
- increasing financial and digital inclusion, including Discretionary Assistance Fund and Credit Unions;
- increasing the availability of quality, affordable childcare and play provision;
- promoting the rights and participation of children and young people
- promoting equality and inclusion;
- supporting the development of the Third Sector and enhancing its strategic relationship with Government; and
- building in sustainable development as a central organising principle within the work of the Welsh Government and its partners.

4. Programme for Government

Across the Communities and Tackling Poverty portfolio, we are working to **prevent poverty**, help people out of poverty and help build resilient communities where families and individuals can access the support they need. We are helping children to get the best start in life and supporting families; taking action to embed equality, rights and sustainable development across the Welsh Government and the public sector; and supporting the third sector to play its part

in achieving the outcomes we are working towards. As part of the outcome of our consultation on the relationship between Welsh Government and the Third Sector in Wales in 2013, we anticipate that there will be an increased focus on supporting the sector to be more sustainable, improving joint working and collaboration, and ensuring maximum impact from the funding we provide.

Specifically, the Children, Young People and Families budget supports a number of key programmes including Flying Start, Families First and childcare. In 2014-15 we will be investing £125m (revenue spend) in supporting Children, Young People and Families in Wales.

The Budget Expenditure Line (BEL) detail is attached at Annex 1. Following the Ministerial portfolio changes in March, these BELs were transferred from the Health and Social Services MEG, with the Social Services budgets retaining their elements of children and families funding.

Flying Start

Doubling the number of children benefitting from **Flying Start is one of the Programme for Government's 'Five for a Fairer Future' commitments** and is a targeted investment to support children and their families in the early years. International evidence supports this approach as an effective means of enhancing the life chances of our most disadvantaged children.

Through Flying Start we will be investing £72.1m revenue and £8m capital in 2014-15 to support high quality early years **childcare**. We are also allocating an additional £5m of revenue in 2015-16 to ensure we deliver on our commitment to **double the number of children benefitting from Flying Start**. The investment noted above includes additional capital funding of £4m in 2014-15 (£2m in 2015-16).

Improving the life chances of children from **difficult socio-economic** backgrounds will have a positive long term impact on the economy, not just because of the outcomes for children, but also in relation to **preventative spend** and the associated decrease in the need for more intensive and costly services that would otherwise need to be provided. The programme can also lead to improved social cohesion and community development.

High quality early years childcare and attending excellent standard settings has a significant influence on a child's development, particularly for children who come from a disadvantaged background. By the end of 2014-15 over 32,000 children aged between 2 and 3 in Flying Start areas will be benefitting from Flying Start provision. Early evaluative evidence suggests that children benefitting from Flying Start are seeing improved outcomes in their social development and are better prepared for school and for learning.

We also know that Flying Start is beginning to have a positive impact on children's cognitive development. We are also seeing an improvement in the achievement of the appropriate milestones between the ages of 2 and 3. We are committed, through the Tackling Poverty Action Plan, to continue to increase the levels of improvement between the ages of 2 and 3 in the programme. We will also continue to prioritise early language acquisition that is crucial to cognitive development and the improvement of overall literacy and numeracy levels.

Flying Start is also a considerable employer. At present over 1,000 people are directly employed in delivery of the programme. This figure will expand by approximately a further 850 during our expansion of the programme. These jobs range from entry level **childcare** to highly skilled health and **family support** professional roles.

Supporting children, families and deprived communities is at the heart of the Flying Start programme. Investment is targeted in the communities with the highest proportion of households with children aged 0-4 who are on income benefits. Specifically we will continue, through Flying Start, to promote parent/child relationships and the importance of positive parenting.

Families First

This is an innovative programme that promotes the development by all local authorities of effective multi-agency systems and support for families, with a clear emphasis on **prevention and early intervention** for families, particularly those living in **poverty**. The Welsh Government has committed to maintain the Families First programme during this Assembly term and we will be investing £46.9m in 2014-15.

The programme is a key response to the Welsh Government's **Child Poverty Strategy** and a significant contributor to the objectives of the Tackling Poverty Action Plan. Local delivery plans prioritise action and support to reduce the numbers of families living in workless households; improve the skills of parents and carers and young people living in low-income households; and reduce the inequalities that exist in health, education and economic outcomes for children who come from the lower socio economic backgrounds. Projects will support a range of initiatives including targeting 16-19 year olds that have disengaged from education and training and providing personal support to develop their employability.

In terms of educational attainment, Families First also requires local authorities to prioritise support to ensure that children, young people and indeed adults within families can achieve their potential. We will use key indicators such as the number of children who are eligible for free school meals, who achieve the Foundation Phase indicator, who achieve the core subject indicator at KS2 and who achieve the Level 2 threshold at GCSE. Projects will be principally family-orientated, and also for example, target young people who are potentially at risk

of dropping out of education by ensuring attendance and engagement levels are improved.

The Families First programme also is a major driver in the development of multi-agency 'Teams Around the Family'. Wales is currently the only UK country that requires all local authority areas to develop and embed a 'Team Around the Family'.

Supporting children, families and deprived communities is fundamental to the objectives of Families First as an all-Wales programme. Children do better when they live in a good quality and safe home, have a close, positive and secure relationship with their mother, father or with a key adult. Families First aims to provide families with appropriate support to ensure they are self-sufficient and resilient. We will invest in support services to families and direct services that provide children with the ability to develop and parents with the support they need to cope with difficult family situations, help them address issues caused by poverty and to ensure that they have the right information and advice when they need it. Projects in Families First will, for example, identify families that are most at risk of remaining in long term poverty and target early and sustained support to the whole family, improving skills, developing aspiration and improving levels of household income.

Childcare and Play

The provision is being maintained at £3m in 2014-15 given its importance as a significant policy driver in relation to growth and jobs and in terms of tackling poverty. Successive evaluations have concluded that the availability of quality, affordable childcare is essential to support people who need to work, or acquire skills to enable them to work.

The development of affordable, accessible and high quality childcare is recognised in the **Programme for Government**, the Tackling Poverty Action Plan and the Early Years and Childcare Plan as key to ensuring that parents are able to access training and work. We will look for opportunities under the next round of European programmes (2014-2020) to take action in this area as part of our aim to promote social inclusion and **combat poverty**.

We are supporting the **childcare sector** through assisting national childcare organisations and providing financial support to local authorities to promote and develop wrap around out of schools childcare. In 2012-13 some 4,500 childcare places and 800 holiday club places were sustained by the out of schools programme. We will also support some of the priorities that have been highlighted in *Building a Brighter Future*, the Early Years and Childcare Plan.

In terms of educational attainment, we also know that what parents do with their children at home has a significant impact and can have a stronger influence than the parent's occupation, education or income. We will also continue to support

Language and Play programmes that aim to develop a parent's interaction and investment in home learning.

A reduction of £0.5m has been applied to the Support for **Children's Rights** budget in 2014-15. This is mainly the result of unallocated funding resulting from earlier projects that have now ended. This funding had not been earmarked for future projects. There will be further reductions of £0.4m in 2015-16 as we look to consolidate some of our grant schemes.

The **Children's Commissioner for Wales'** budget will be maintained at £1.7m in 2014-15 and 2015-16. This demonstrates our commitment to ensure that the rights of children and young people are represented by the Commissioner.

5. Legislation

We recognise the importance of ensuring that children and young people have a voice and are listened to. We will continue to support the implementation of the **Rights of Children and Young Persons Measure** and the implementation of the **UNCRC** in Wales. We will also continue to support MEIC the National **Advocacy Help Line for children** and young people and will increase the Advocacy budget by £0.2m in 2014-15 and 2015-16.

The reduction of £0.5m noted above on **Support for Children's Rights** will not impede our ability to continue to implement the **Rights of Children and Young Persons (Wales) Measure** and the duties on Ministers to prioritise children's rights in making decisions in relation to policy and legislation.

It is also worth noting that the Measure applies to all Ministers and all new or revised policies and legislation. Therefore, the investment for implementing children's rights is much greater and impacts on budgets across the whole government. A report on compliance with the Measure was published in January 2013 and it sets out the impact the Measure is having and how it is filtering into all government business, legislation, directions and guidance, and in turn into local services. We will continue to monitor and report on the impact of the Measure and have committed to publish a further compliance report in July 2016.

More widely, we are also working on the **Future Generations Bill**. Its purpose is to enable better decision-making by those providing public services, with a focus on the economic, social and environmental impacts on current and future generations. The principle of long-term thinking is a key component of sustainable development. Considering the long-term provides a focus on **prevention** and the early interventions that can most effectively generate long-term benefits for individuals and communities.

6. Capital

In 2014-15 we will provide a further £4 million in capital to put in place the necessary infrastructure to continue to deliver on our commitment to double the number of children benefitting from Flying Start. By the end of 2014-15 we will have invested over £25 million in around individual 165 projects, providing settings for high quality childcare, parenting support programmes and multi agency support teams. This investment will go towards developing the 'social infrastructure' referred to in the Wales Infrastructure Investment Plan by working at the heart of our most disadvantaged communities and improving the well being and life chances of the under 4's.

7. Equality Impact Assessment

Flying Start

Flying Start is one of the **Programme for Government's 'Five for a Fairer Future'** and is a targeted intensive investment to support children and their families in the early years. International evidence supports this approach as an effective means of enhancing the life chances of our most disadvantaged children.

The Flying Start budget will reduce by £0.9m in 2014-15. However, there is no reduction in the allocation of Flying Start grant to local authorities and we will continue to expand the Flying Start programme in line with the Programme for Government commitment to reach 36,000 children and their families by the end of this Assembly term. The reduction in the budget is from within central cost elements and consists of savings in administrative costs of £0.4m and adopting a more cost effective approach to assessment tools, releasing £0.5m. There are no immediate negative equality impacts as a result of this decision as it does not impact on the delivery of services to people.

In 2015-16, the Flying Start BEL will increase by £4.8m to reflect the Welsh Government's commitment to expand Flying Start. In terms of educational attainment, high quality early years childcare and attending excellent standard settings has a significant influence on a child's development, particularly for children who come from a disadvantaged background. Early evaluative evidence suggests that children benefitting from Flying Start are seeing improved outcomes in their social development and are better prepared for school and for learning. Investment is targeted in the communities with the highest proportion of households with children aged 0-4 who are on income benefits.

Families First

Families First is a programme that promotes the development by all local authorities of effective multi-agency systems and support for families, with a clear emphasis on **prevention and early intervention**, particularly those living in

poverty. The programme is a key response to the Welsh Government's Child Poverty Strategy and a significant contributor to the objectives of the Tackling Poverty Plan.

We have committed to maintain the Families First programme during this Assembly term and we will be investing £46.9m in 2014-15. This is a reduction of £0.75m required in 2014-15 but this will be met without any reduction to the Families First grant. In particular, this means that the ring fenced **support for families with disabled children** will continue at planned levels. The reductions in 2014-15 can be met from planned expenditure on policy areas that have not yet been fully developed, or can be deferred until budget becomes available.

We will carry forward the reduction in the Families budget of £0.75m from 2014-15 and will see a further reduction of £2.3m in 2015/16. This will be found by reducing the grant allocations to local authorities for the Families First grant. This is likely to result in a number reductions in services to children and families, either through reductions in direct Team Around the Family Resource, scaling back of specific projects, or some specific projects ceasing altogether. As Families First is designed to specifically target families where poverty is a significant issue, it is likely that there will be an impact on individuals and families from the groups with protected characteristics. We are developing a more detailed data collection methodology to provide a better assessment of the impact which will allow us to plan mitigating action.

We will also have to reduce the amount available through the Children and Families Organisation Grant by £0.3m in 2015-16. This may impact on the ability of some third sector organisations to access funding. Over the intervening period we will be looking at actions to mitigate the impact.

Childcare and Play

We are protecting the Childcare and Play budget in 2014-15 which demonstrates our commitment to invest in childcare support and to support the development of the childcare sector, critical to ensuring that people are able to access training and or employment and also that children benefit from quality childcare experiences.

However, there is a reduction of £0.3m in 2015-16. This will be found from £0.1 million as a result of project funding coming to an end in 2014/15 and a non-commitment of funds to any further projects. In addition the Welsh Government will discontinue its financial support (£0.2 million) for criminal records checks for childcare workers. This will have a minimal impact given the introduction of portable CRB checks. It also has no impact on childcare provision and support which will continue through the Out of Schools Childcare grant.

Advocacy

We recognise the importance of ensuring that children and young people have a voice and are listened to. We will continue to support the implementation of the **Rights of Children and Young Persons Measure** and the implementation of the **UNCRC in Wales**.

We will also continue to support MEIC the National Advocacy Help Line for children and young people and will increase the Advocacy budget by £0.2m in 2014-15 and 2015-16 to address the increase in numbers of children and young people contacting the Advocacy, Advice and Information helpline. We will also undertake an evaluation of MEIC to ensure that it is as effective as it can be in securing positive outcomes.

In addition, the uplift will help to address some of the recommendations identified by the **Children's Commissioner** in his report on advocacy for vulnerable children and young people.

8. Sustainable Development

The sustainability of our significant investment through the Children, Young People and Families budget is ingrained in the more effective multi-agency working that it drives. In turn, we will continue to use evidence bases to make the business case for early investment and to demonstrate return on investment, thus more deeply embedding the principles and practice of early intervention. Both the Flying Start and Families First programmes are subject to evaluations which will be published (as a series of reports) and which will be used to inform their further development.

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CHILDREN, YOUNG PEOPLE AND FAMILIES BUDGET (forming part of the CTP MEG)							ANNEX 1
REVENUE BUDGET - Departmental Expenditure Limit							
SPA	Actions	BEL Title	2013-14 Supplementary budget	2014-15 Indicative Plans Restated Final Budget	2014-15 Changes	2014-15 New Plans Draft Budget	2015-16 New Plans Draft Budget
Children, Young People and Families	Children, Young People and Families	Children's Commissioner	1,715	1,715	0	1,715	1,715
		Families First	47,658	47,658	-750	46,908	44,608
		Flying Start	62,994	72,994	-900	72,094	76,894
		Childcare & Play Strategies	3,016	3,016	0	3,016	2,716
		Support for Children's Rights	1,305	1,305	-500	805	405
		Advocacy	850	850	225	1,075	1,075
		SPA/ACTION Total	117,538	127,538	-1,925	125,613	127,413
	Total Resource		117,538	127,538	-1,925	125,613	127,413
CAPITAL BUDGET - Departmental Expenditure Limit							
SPA	Actions	BEL Title	2013-14 Supplementary budget	2014-15 Indicative Plans Restated Final Budget	2014-15 Changes	2014-15 New Plans Draft Budget	2015-16 New Plans Draft Budget
Communities and Tackling Poverty	Communities and Tackling Poverty	Flying Start	12,000	4,000	4,000	8,000	2,000
		SPA/ACTION Total	12,000	4,000	4,000	8,000	2,000
	Total Capital		12,000	4,000	4,000	8,000	2,000
	Total DEL		129,538	131,538	2,075	133,613	129,413

Resource tables = The baseline used for Resource DEL in 2014-15 is as at Final Budget 2013-14, restated to reflect Ministerial portfolio changes as announced by the First Minister in March and adjusted to reflect recurrent baseline adjustments included in the First Supplementary Budget 2013-14. These baseline adjustments are set out in Annex D of the Draft Budget narrative.

Capital tables = The baseline used for Capital DEL in 2014-15 is as at Final Budget 2013-14, restated to reflect Ministerial portfolio changes as announced by the First Minister in March.