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Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty



Llywodraeth Cymru
Welsh Government

Christine Chapman AC/AM
Chair – Communities, Equality and
Local Government Committee
National Assembly for Wales
Cardiff Bay

12 November 2013

Welsh Government Draft Budget 2014-15

Thank you for your letter of 29 October 2013 outlining the conclusion of your scrutiny. I was grateful for the opportunity to attend the Committee meeting in October and address the additional issues from your letter in the order raised.

Overall priorities

Flying Start

Unfortunately, the specific data you requested is not collected in that format. However, we are able to illustrate the reach of Flying Start with figures on the proportion of children aged under 4 in Flying Start areas who have benefited from (were in receipt of) Flying Start Services during 2012-13 - see Annex 1 below. Further summary data on the Flying Start programme was published for the first time in the Flying Start Summary Statistics 2012-13 release. Figures relating to numbers of children benefiting from Flying Start on an all Wales and Local Authority basis are available at Table 1 on page 14.

<http://wales.gov.uk/topics/statistics/headlines/health2013/flying-start-summary-statistics-2012-13/?lang=en>

The Children and Young People Committee scrutinised the Deputy Minister for Tackling Poverty and me on the Flying Start programme as part of their Draft Budget considerations.

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Allocations

As a government, we have identified the need to embed across all departments the key priority areas within my portfolio of tackling poverty, children's rights, equality and sustainable development. My officials are focused on integrating these considerations as part of policy development and financial allocations within my portfolio, as well as co-ordinating and supporting action taken across government.

All our policies and programmes reflect our commitment to sustainability and fairness. Impact assessments provide a useful tool for Ministers to understand the implications of their spending decisions. All Ministers were asked to assess the impact on these areas of their funding allocations, as well as on their Programme for Government commitments. My officials worked with Strategic Budgeting officials to coordinate the contributions around tackling poverty, equality, sustainable development and children's rights and to provide an overview of these within the Equality Impact Assessment narrative. Nevertheless, as part of mainstreaming, it remained the responsibility of each Minister to make allocations which were informed by the impact on sustainable development, tackling poverty, equality and children's rights.

The Programme for Government objectives are core objectives of the organisation, that are at the centre of the decisions we make and policies we develop. At the heart of this is a focus on people and our commitment to support the development of a fairer society with an emphasis on social, economic and environmental well-being for people and communities, embodying our values of fairness and social justice; equality is integral to this and woven through the programme as well as in Chapter 8 "Standing up for Equality". We have discussed at Cabinet the importance of assessing the impact of our decisions on equality, socio-economic disadvantage and long term sustainability and recognise the importance of building this into our budget preparations from the outset. Ministers have also aligned their spending plans to support the objectives set out in the Strategic Equality Plan and the Programme for Government, which sets the outcomes we want to see for the people and communities across Wales.

Tackling Poverty Action Plan

The Tackling Poverty Action Plan sets out how the Welsh Government will target resources across different portfolios and departments to prevent poverty, help people into work and mitigate the impact of poverty. The Deputy Minister for Tackling Poverty is chairing an Implementation Board which is attended by Directors General from across the Departments, and accountable for the targets and milestones within the Plan.

One of the most effective ways of preventing poverty is to prevent poor children from becoming poor adults. We recognise that the educational attainment of children in poverty tends to be significantly less than other children. This is unacceptable. That is why the Tackling Poverty Action Plan has set targets aimed at reducing the educational attainment gap. In the draft budget we are supporting these targets by investing an extra £11m into Flying Start by 2016, doubling the support available through the Pupil Deprivation Grant and seeking to co-ordinate programmes to successfully target families living in poverty.

All Ministers and departments within the Welsh Government are committed to tackling poverty. Responsibility for the targets and milestones of the Tackling Poverty Action Plan

covers nine departments, reflecting the breadth of the tackling poverty agenda and the cross-government commitment to this. For example, within the Health and Social Services Department work is underway to reduce health inequalities through schemes such as the Over 50s Health Checks. The Housing and Regeneration Department are making funding available to pump prime regeneration programmes, with a priority for deprived communities. Grant support available to businesses from the Department for Economy, Science and Transport will introduce positive weightings to allow for the impact of bringing harder to reach groups back into work.

Communities First

The Committee has asked for further detail on the new monitoring arrangements for Communities First. The basic approach is set out in the extract from the 2013 Programme Guidance at Annex 2.

The Outcomes Framework itself has also been published as Appendix 5 to the 2013 Guidance. Appendix 6 provides detailed advice for Clusters on developing their Delivery Plans. Both appendices are available at:

<http://wales.gov.uk/topics/housingandcommunity/regeneration/communitiesfirst/information-and-updates/guidance/?lang=en>

As the Guidance makes clear, the Communities First Programme uses a Results-Based Accountability (RBA) approach which seeks to tackle the three Outcomes of Prosperous, Learning and Healthier Communities. This approach makes a crucial distinction between results for whole populations living in any Communities First Cluster area and the results for the participants of a particular programme, activity or service.

Communities First Clusters are monitored against an agreed set of Common Performance Measures which monitor the level of effort, quality and - crucially - the improvements for participants in any CF activity. The most important performance measures are those that tell us whether individuals are better off as a result of participating in CF.

While the programme nationally seeks to address the three Outcomes, individual Clusters have the flexibility to focus their local effort locally on the areas of work where they consider they can make the greatest difference. This element of choice is essential to safeguard the community focused nature of the programme; this is the most distinctive feature of our use of the RBA model. The choices Clusters make, however, must lie within the overall CF Framework and all their activity must be agreed by Welsh Government to clearly contribute to the three themes and to the overall aim of Tackling Poverty. In addition, similar activity in different Clusters will now be measured using consistent indicators so that the overall impact of the programme can be reported more easily. It is not quite correct, therefore, that Clusters can “define the outcomes by which they will measure success”. The flexibility they have in this regard is balanced against the requirements of the overall programme and the expectations of Welsh Government.

Data from the Delivery Plans and quarterly progress updates is now being provided to Welsh Government by each Cluster, via their respective Lead Delivery Bodies. We will begin to publish performance reports as soon as possible. In fairness, Clusters have only

recently been established and we need to ensure that there is sufficient data to allow for meaningful analysis and comparison before this information is made more widely available. Nevertheless, we expect this information to be published for at least the majority of Clusters by early in 2014. The data published will be based on the RBA format, showing achievement to date in relation to the agreed activity in each Delivery Plan, arranged under the main programme themes of Prosperous, Healthier and Learning Communities.

We are also mindful of the need to ensure that monitoring and reporting requirements do not become onerous to the extent that they hamper the main work of the Delivery Teams and themselves reduce the effectiveness of the programme. Overall we consider that the new monitoring arrangements are robust and proportionate.

The Committee's request for an update on the evaluation of the programme scheduled for 2014 is duly noted.

Welfare Reform

I am committed to ensuring that the Discretionary Assistance Fund (DAF) is able to support our most vulnerable people. Awareness raising has been focussed on ensuring Statutory and Third Sector organisations who advise and guide clients across Wales have the necessary knowledge of the service. To support this, under the contract, the Family Fund employs a Partner Manager who promotes the scheme amongst organisations working with vulnerable groups. The DAF Partnership Manager is also working to establish a diverse partnership network of organisations that are already working with vulnerable clients and can help support vulnerable adults make applications. This will help those people who need assistance from the Fund but are unable to make an application themselves. The current number of partners stands at 250 and the expectation is that as the DAF Partner Network is more established, more referrals will be made by Partner Organisations on behalf of vulnerable clients.

Third Sector

The funding streams on which the Third Sector rely are often complex, with funding originating from a number of local, national and international sources. Welsh Government funding is an important part of this wider picture.

At present many Third Sector organisations are being impacted by UK Government cuts as well as savings being made by local authorities. Demand for their services is often rising at the same time. Ministers and officials have worked to ensure that the Sector is aware that it cannot be wholly immunised from the difficult decisions that Ministers have had to take in their spending plans.

An assessment of the impact of this reduction in spend on statutory services provided by the Third Sector is not currently available as we do not collate information on the delivery focus of Third Sector organisations in that way. However, the Third Sector is a valuable provider of services whether statutory or not and it's clear that budget reductions may impact on their ability to deliver. What we can do is mitigate that impact where we can.

We have increased our focus on ensuring that grant funding is managed well through the Grants Centre of Excellence. We will also shortly be publishing a fully revised Code of Practice for Funding the Third Sector which will include additional guidelines on commissioning models to be used to determine the most appropriate method for funding the desired activity. The Code will also set out the principles which should be followed by public bodies in working with and funding the Third Sector.

Further information on the outcome of the consultation on Continuity and Change – the Welsh Government's Relationship with the Third Sector will be announced in the near future and I will report back to at the first opportunity thereafter.

Equality

The new Equality and Inclusion grant scheme will be awarded from April 2014 for up to three years. The scheme is designed to fund Third Sector organisations to contribute to the implementation of the Welsh Government's strategic equality priorities, and in particular the equality objectives within the Strategic Equality Plan (SEP). The SEP identifies eight equality objectives which were agreed following extensive external engagement, including with the Third Sector. Successful organisations will be required to submit quarterly monitoring forms and these will be assessed by officials before payment is made. In addition there will be a programme of monitoring visits to all organisations at least once during the life of the programme. My officials are working with Knowledge and Analytical Services to consider how the impact of grant scheme can be best evaluated.

Financial Inclusion and credit unions

You requested clarification of the funding that has been made available for Credit Unions. The additional funding was made available to the sector during 2013/14 with £1.25m to be used to accelerate the growth of Credit Unions, subject to a satisfactory business case being received. In addition, £612,000 was used to extend the Access to Financial Products through Credit Unions Project for six months from September 13 until March 2014. This extension funding being provided is consistent with the level of support that was given until September 13 under the previous WEFO funded project.

For 2014-15 there is an allocation of £650,000 included within the draft budget for Credit Unions. This allocation has been made in advance of decisions being taken on future Welsh Government support for credit unions from 2014-15 and may be subject to change. The funding we have provided Credit Unions to date has focused on enabling those who are financially excluded have access to affordable financial products. So far the project has helped 20,308 adults in that regard. Credit Unions are an important part of supporting our efforts to tackle poverty and helping the most vulnerable people who are suffering financial exclusion. Therefore, any future funding in this respect will look to build on the work that we have already done to ensure that people have access to the appropriate assistance, particularly before they seek the services of other companies.

Sustainable Development

Please see my response under 'Overall priorities – Allocations' above.

Capital Allocations

I am happy to inform you that an evaluation of the Communities, Facilities and Activities Programme (CFAP) is being planned and will be undertaken. I can also advise you that we are now developing monitoring and evaluation processes for the new scheme, which will use Resource Based Accountability to measure outcomes. I will, of course, keep you advised of developments.

Turning to Gypsies and Travellers, your letter asks about what work has been undertaken to assess the benefits for children and families.

The evidence provided is informed by a number of pieces of research undertaken in Wales which emphasise the importance of stable and adequate accommodation if such outcomes are to improve and examples of how the Sites Capital Grant has facilitated access to these services.

Estyn's *'The Education of Gypsy Traveller pupils: an update on provision in secondary schools'* (2011) makes clear the importance of education professionals being able to build stable and trusting relationships with families, which will be improved by an increased supply of authorised sites. For example, this year the Sites Capital Grant has been utilised by Merthyr Tydfil County Borough Council to provide, "a regular classroom facility and... could be used for outreach work, support work, youth work, playgroups, quiet space for children doing homework, adult education, pre-school or health clinics". Welsh Government officials will ensure that the facility does provide such opportunities once opened.

The issue of barriers to healthcare for those without permanent accommodation has been raised in multiple reports, including the National Assembly's Equality of Opportunity Committee report, *'A Review of Service Provision for Gypsies and Travellers,'* (2003) and the Welsh Government health ASERT study (2006). During the recent Measles outbreak, local health boards proactively administered MMR vaccinations against infectious diseases on authorised Gypsy and Traveller sites to good effect. If additional sites are created by the sites capital grant the Welsh Government will monitor the existence of outreach initiatives.

Though adequate site provision is clearly not the only barrier to successful community cohesion, we believe that it is a big step in the right direction. Providing sites allows community members to access local facilities, though it is also important that discrimination and other barriers are challenged when they do so.

Unfortunately, many of the local authority sites that have been built in Wales are situated in isolation from the wider community. This is not helpful in terms of tackling inequalities and isolation. The last of these sites was built in 1997. In 2009 the Welsh Government published its Good Practice Guide on Designing Gypsy and Traveller Sites. This guidance makes clear that sites need to be connected to communities to improve community cohesion.

Until 2013-14, the Sites Capital Grant has only been utilised for refurbishment projects, rather than new site construction. Thus further strengthening of the evidence base and monitoring has not, at this stage, been possible around the links between new sites and improvements in educational attainment and attendance, access to healthcare access, etc. However, we're hopeful that new additional sites will be approved and constructed over the

coming years and ensuring that projects can demonstrate positive outcomes will be key to funding decisions.

Finally, I can confirm that the Gypsy and Traveller Sites Capital Grant can be used for the purpose of improving and/or providing transit sites. Currently, there are no transit sites in Wales and only one transit pitch on the Torfaen site.

A handwritten signature in black ink, appearing to read 'Jeff Cuthbert', written in a cursive style.

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Selected indicators by Local Authority, 2012-13

<http://wales.gov.uk/topics/statistics/headlines/health2013/flying-start-summary-statistics-2012-13/?lang=en>

Local Authority	Population 0-3 year olds (a)	Number of children benefiting (in receipt of services)(b)	Percentage of population aged 0-3 years old (%)
Isle of Anglesey	3,204	459	14.3
Gwynedd	5,436	640	11.8
Conwy	4,683	752	16.1
Denbighshire	4,302	887	20.6
Flintshire	7,251	954	13.2
Wrexham	7,187	887	12.3
Powys	5,168	525	10.2
Ceredigion	2,686	414	15.4
Pembrokeshire	5,402	649	12.0
Carmarthenshire	8,202	1,112	13.6
Swansea	10,550	1,492	14.1
Neath Port Talbot	6,173	1,042	16.9
Bridgend	6,441	956	14.8
Vale of Glamorgan	5,835	866	14.8
Cardiff	18,573	3,368	18.1
Rhondda, Cynon, Taff	11,761	2,542	21.6
Merthyr Tydfil	2,914	792	27.2
Caerphilly	8,805	1,219	13.8
Blaenau Gwent	3,224	655	20.3
Torfaen	4,359	1,187	27.2
Monmouthshire	3,607	346	9.6
Newport	7,758	1,835	23.7
Wales	143,521	23,579	16.4

Source: Welsh Government Flying Start Data Monitoring Return 2012-13

(a) 2012 Mid Year Population Estimates, published by Office for National Statistics.

(b) Cumulative count of individual children receiving any health visitor Flying Start services

Revised on 10 September 2013.

Communities First Monitoring Arrangements

Guidance extract:

Results Based Accountability

3.6 The CF Outcomes Framework is based on Results Based Accountability (RBA). This is a model which is now being used very widely, including within WG and by many other organisations in Wales. The model has been adapted for use by the CF programme, in particular by emphasising the role of community involvement.

3.7 RBA uses two sets of “Indicators”- that is, ways of measuring progress towards strategic goals:

“Population Indicators” relate to things which have a big impact on major issues which affect the lives of people, for example improved health better education or more jobs. These are important for CF as the programme is expected to contribute positively to such issues. Population Indicators have been set for CF, most of which are linked to the Wales Index of Multiple Deprivation (WIMD). WIMD is the information WG use to identify that some geographic areas are more deprived than others. However, it is recognised that many factors influence these issues so CF alone cannot take full responsibility for how they change. The CF Population Indicators are set out in Appendix 5.

“Performance Indicators” are about the local activity directly supported by CF. Performance Indicators (PIs) enable fair measurement and evaluation of the activity and outcomes of each Cluster. As Delivery Plans are established and the range of projects known, WG will develop a common set of PIs to be used by all CF Clusters. The PIs will reflect the variety of work in each community, but WG will seek to ensure that, as far as possible, similar work being undertaken in different Clusters, is measured in the same way so that the overall impact of the programme can be seen. It is through the measurement and monitoring of these indicators that each Communities First Cluster can show its contribution to Tackling Poverty.

3.8 It is crucial that the local activity measured by PIs is clearly linked to the Population Indicators, so that it can be seen that each Cluster is making a positive contribution to the aims of the programme. This is so the impact and contribution to tackling poverty of the CF programme as a whole can be assessed and described.

3.9 A substantial programme of training about the principles of RBA has been undertaken for CF staff and volunteers. This training programme will continue throughout the next phase of the programme. Further information about RBA and the CF Outcomes Framework can be found in Appendix 5.

Cluster Delivery Plans

3.10 Every Cluster Delivery Plan must be able to demonstrate a strong contribution to Tackling Poverty under the new CF Outcomes Framework. Delivery Plans should achieve

this, both by the development of local activity and projects but also through complementing key services and improving access for the most vulnerable in the area.

3.11 Whilst the programme has three Outcomes it is important that CF Clusters focus their effort and resources in those areas of work where they feel they can have the greatest need. Clusters therefore do have the option to develop Delivery Plans which do not focus equally on all of the Outcomes, but just focus on 1 or 2 of the Outcomes which are most relevant to their area. For example, there may be a particular emphasis on Health or Education if the needs of the area – as evidenced by WIMD – justify such an approach.

3.12 Each Delivery Plan must demonstrate close work with partners– sharing resources and responsibility for decisions - to ensure good engagement with communities, key service providers and the voluntary and private sectors. A range of delivery agents should be identified and resources shared appropriately with them.

3.13 Cluster Managers should ensure that Delivery Plans are kept up to date in this respect and that they remain well-informed regarding policies which impact on their work.

3.14 Principles of Social Justice, Equality, Diversity, Inclusion and Human Rights should underpin all aspects of the Programme, especially Delivery Plans and CIPs. These principles are considered essential elements of the WG's approach to tackling poverty and CF will only support activities which are compatible with WG policies in this regard.