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Minister for Communities & Tackling Poverty



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref SF/JH/3548/14

Christine Chapman AM
Chair, Communities, Equality and Local Government
Committee
National Assembly for Wales
Cardiff
CF99 1NA

10 November 2014

Dear Christine,

Thank you for your letter of 24 October in which you set out a number of matters following the evidence session we attended.

1. Budget Reductions

Throughout the Budget scrutiny we have been open about the challenges we face as a result of the long period of sustained reductions and delivering our priorities against this backdrop. As resources go down and demands for services go up, the reality is that we cannot continue to fund all services at the level we might like. We recognise the importance of investing in programmes today to avoid problems tomorrow. That is why our focus on preventative measures and early intervention has shaped our entire approach to the Budget. Health spending is vital in this context. As well as preventative interventions which can have immediate beneficial effects, such as public health measures, health spend in other areas, such as services funded by the core allocation to LHBs to support major health conditions, is an important element of our preventative approach.

But this approach is also about investing for the long term and actions to help support our ambitions for achieving a better quality of life for our own and future generations. Our investment in the health service fully supports this ambition and is central to our commitment to improving longer term health and wellbeing outcomes for the people of Wales.

In developing our plans, all Ministers have focused on managing reductions in a way that minimises the impact of reductions in the short term and continues to support us to deliver our outcomes for the longer term. Clearly this is not just about the level of funding but about how we can work differently, and more collaboratively, to deliver

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our objectives. This was a key message that emerged from the Minister for Finance and Government Business' Budget Tour and we are committed to supporting all Ministers to work with their delivery partners to continue to drive a shift towards preventative approaches.

This approach is particularly important in the context of the Supporting People Programme. As the Minister for Communities and Tackling Poverty highlighted when she gave evidence to the Committee, in considering the impact of reductions to this budget, the Welsh Government has worked very closely with stakeholders, including Local Authorities and the programme's National Advisory Board. This included sharing a range of figures to support early planning and consideration of the best approach.

In terms of any further work to consider the impact of budget reductions, it is important to remember that the responsibility for deploying the grant effectively rests with Local Authorities and other members of the Regional Collaborative Committees, as they are best placed to identify local needs and priorities. Whilst we recognise that budget pressures mean they too will face tough decisions, effective collaboration between all organisations involved and a strategic approach to deploying the budget and managing budget reductions, will help to minimise the impact on the availability of services.

In this regard, the Minister for Communities and Tackling Poverty was clear during our evidence session that she would continue to engage with all stakeholders to ensure the best possible use is made of the funding and to mitigate the impact of budget reductions where these have had to be made. As indicated at Committee, we will consider the impact of the Supporting People Programme further as more information becomes available on how reductions are being managed, including any efficiency savings generated to help mitigate the impact of reductions. We would be happy to share this information with the Committee when it is available.

We also note your concerns regarding the impact of reductions to post 16 education and Careers Wales, particularly on those who are not in education, employment or training, black and minority ethnic groups and disabled people. We recognise the importance of ensuring that our decisions, as far as is possible, do not disadvantage these groups.

In line with this, we will continue to work closely with our stakeholders and delivery partners to see where and how we can mitigate the impact of these cuts, including the impact of decisions on those who are not in employment, education or training, black and minority ethnic groups and disabled people. This may, in some cases, include further work to assess impact of decisions. For example, employers and providers of our apprenticeship programme are required to have equality and diversity policies and to demonstrate through self assessment and supporting evidence that they are implementing the policies, monitoring participation and support for protected groups. These assessments will be vital in terms of managing reduced budgets in a way that protects disadvantaged groups as far as possible.

We will also be working with our partners to manage reductions in a way that maintains high quality services. For example, in terms of Careers Wales we are focusing on making the best use of available resources by considering new delivery mechanisms, such as making greater use of web-chat, phone and web-based services. This approach also fits in with how many young people like to access information. Careers Wales services play an important role in supporting the Welsh Government to achieve its broader policy objectives with regard to reducing those not

in education, employment or training and, while no final decisions have been taken yet on the remit for Careers Wales in 2015-16, we anticipate that, as far as is possible, capacity will be maintained for targeted services which are focused on those at greatest risk of disengagement.

2.The Budget Advisory Group on Equality (BAGE) and the Strategic Integrated Impact Assessment (SIIA)

Turning to the Budget Advisory Group for Equality (BAGE), we welcomed the useful discussion we had on BAGE at the evidence session and we are happy to provide further clarity and information in response to the issues set out in your letter.

As we discussed during Committee, the Minister for Finance announced the establishment of the BAGE during the scrutiny of the Draft Budget 2013-14, in order to support the Welsh Government in developing and improving its approach to the impact assessment of the Budget. The BAGE also makes an important contribution to improving the evidence on inequalities in Wales, which supports the Welsh Government in considering the impact of its spending decisions. We attach at Annex 1 the Terms of Reference for the BAGE.

As you will see from this, its remit is to support the Welsh Government as it works to improve the equality considerations undertaken throughout the budget setting process, in line with protected characteristics set out in the Equality Act 2010. To that end, the BAGE has helped to inform the process we undertake to consider equality impacts, in order to support Ministers to make decisions in an informed way. In that sense, the Strategic Integrated Impact Assessment provides a clear and focused account of the impacts of the Government's key decisions. However, this process does not stop with the publication of our spending plans and, in the context of impact assessments, discussions at the BAGE continue to influence and inform our approach to policy development and decision making throughout the year. The BAGE has, of course, made an important contribution to the presentation of information and the format of the Strategic Integrated Impact Assessment. However, in line with our commitment to evidence based and informed decision-making, it is the focus on the approach we take to consider equality throughout the development of our budget proposals that is of paramount importance.

In addition to considering the Welsh Government's approach to the impact assessment and the supporting evidence, over the last two years the BAGE has also considered a diverse range of topics, including discussions on the Well-being of Future Generations (Wales) Bill, the Tackling Poverty Action Plan, the implications of Welfare Reform and the Wales Investment Infrastructure Plan. The outcome of these discussions has been cascaded back to Departments at official level to inform Ministerial considerations as part of the budget process.

As requested, we have also providing at Annex 2 a copy of the minutes for all of the BAGE meetings, including those of the most recent meeting, where the Draft Budget 2015-16 and SIIA was discussed

With regard to your suggestions for the future role of BAGE, we are due to discuss its Terms of Reference and its role going forward at its next meeting in January. This will provide an opportunity to consider these points further.

This response has been copied to the Chair of the Finance Committee.

A handwritten signature in black ink that reads "Jane". The signature is written in a cursive style with a horizontal line above the first few letters.

Jane Hutt AC / AM

Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a horizontal line above the first few letters.

Lesley Griffiths AC /AM

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