

DC/JH/00080/13

Budget Advisory Group for Equality
Monday 11 March 2013
Conference Room 21, Ty Hywel, Cardiff Bay
14.30 – 16.30

Attendees

Jane Hutt AM – Chair	Minister for Finance & Leader of the House
Jeff Andrews	Specialist Policy Adviser
Amelia John	Equality, Diversity & Inclusion Division, Welsh Government
Jonathan Price	Knowledge & Analytical Services, Welsh Government
Jo Salway	Strategic Budgeting, Welsh Government
Bethan Bateman	Child Poverty Unit
Naomi Alleyne	Welsh Local Government Association
Wayne Vincent	Equality and Human Rights Commission
Martyn Jones	Age Concern
Paula Walters	NHS Centre for Equality and Human Rights
Aliya Mohammed	Race Equality First
Rhian Davies	Disability Wales
Caroline Joll	Cardiff University Business School
Secretariat	
Gemma Smith	Equality, Diversity & Inclusion Division, Welsh Government

1. Welcome and Introductions

- 1.1 The Minister for Finance and Leader of the House welcomed the group and thanked them for their agreement to join the forum.
- 1.2 There was a round-table introduction.
- 1.3 Apologies had been received from:

Adele Baumgardt, WENWales
Jessica McQuade, WCVA
Andrew White, Stonewall Cymru
Julie Cook, TUC

2. BAGE Terms of Reference & Remit

- 2.1 The Minister for Finance and Leader of the House said that it was intended that this forum would provide support to the Welsh Government in their role of equality impact assessing the budget. The Minister then requested that Amelia John take the group through the Terms of Reference of the BAGE.
- 2.2 Amelia John took the group through the Terms of Reference and suggested remit for the group that had previously been circulated. Comments were invited from the group.

- 2.3 The group accepted the suggested remit. The question was raised however, as to whether there was a role for the group in the assessment or monitoring of the Equality Impact Assessments (EIAs) of the budget going forward?
- 2.4 The group also queried the link between the protected characteristics and socio-economic groups and that whilst these will inherently sit together, there is a need for the impacts to be considered separately. It was agreed that this separation should be visible throughout the assessment process.
- 2.5 The Minister agreed that the Terms of Reference would be amended to allow for the suggested amendments.

Action: EDID to amend and re-circulate the Terms of Reference to provide for the monitoring function of the group and to ensure the distinction between poverty and equality impacts is strengthened.

3. Budget Basics

- 3.1 The Minister outlined that the work of the group will be used to inform both herself as Minister for Finance and Leader of the House and, in turn, Cabinet. As such the group needed to be aware of the budget setting process that the Welsh Government is subject to, especially as in the current climate, with reduced budgets which is expected to continue and which makes the work of this group even more vital. At this point the Minister introduced Jo Salway, the Head of Strategic Budgeting, to present to the group on the budget setting process
- 3.2 Jo Salway presented to the group an Introduction to the Budget, giving a detailed overview of the budget process which was broken down into three separate sections:
- **UK Public Expenditure Framework**
 - **How the Welsh Government gets its money**
 - **Welsh Government Budget Process**

The presentation slides will be circulated to the group. A key message of the presentation was that the Budget publication reflected the strategic decisions that were made to allocate at Main Expenditure Group (MEG) level. Detailed decisions were then taken throughout the year by individual Ministers.

- 3.3 The group asked where the EIA would sit within the budget setting cycle. Jo Salway said that whilst work was undertaken to factor EIA considerations in at all stages, in reality much of the work was often done towards the end of the process. Work is continuing to strengthen the process and Jo outlined a commitment to improving the EIA and stated that a key consideration for that was finding ways to help the EIA to inform all stages of work. She said that the Welsh Government was keen for the group's involvement to assist in improving the process and an open dialogue with the group was needed to achieve this, and to allow for earlier engagement with relevant groups, to ensure for a more robust assessment.

- 3.4 The Minister explained that the Welsh Government was the first UK Government to undertake and publish an EIA of their entire Budget for 2011-12, and that the Welsh Government has improved assessment year-on-year since. The Minister requested that the first Budget EIA undertaken and the 2013-14 assessment to be issued to the group for their information. The Minister outlined that in assessing the equality impacts of the Budget the Welsh Government aims to be transparent in the decisions it takes surrounding its spending plans, and summarised that it is clearly visible in the 2013-14 EIA how decisions were made to protect people with certain protected characteristics. The Minister said that these decisions are then subject to scrutiny through the Communities, Equality and Local Government (CELG) and Finance Committees.
- 3.5 The Minister also outlined that there are political pressures that will also factor into the spending decisions made by the Welsh Government. The budget must remain in keeping with the political manifesto and the Programme for Government Commitments. Further, as a minority Government, it is often the case that agreement must be sought with other political parties when agreeing the Government Budget and that these factors must also be taken into account when considering the Welsh Government Budget.

Action: EDID to circulate the 2011-12 Draft Budget EIA and the 2013-14 Draft Budget EIA to the group for their information.

4. Learning from the Appreciative Inquiry & Looking Forward to the Budget

- 4.1 The Minister informed the group as part of how we look to proceed with the task of improving the Budget EIA process, we need to consider the Appreciative Inquiry undertaken at the request of the EHRC and to ensure we are all aware of the recommendations. At this point, the Minister asked Amelia John to chair the remainder of the meeting as she had to leave for another engagement. The Minister thanked every-one for their commitment to the group.

Note: the Minister left the meeting at this point

- 4.2 Amelia John explained to the group that the Appreciative Inquiry was undertaken by GVA who were commissioned by the Equality and Human Rights Commission (EHRC) and fully supported by the Welsh Government, who also partly funded the Review. The Inquiry highlights the improvements that the Welsh Government has already made to their EIA of the Budget, and also produced 10 recommendations for the Welsh Government. Amelia John outlined these recommendations to the group and said that these need to be considered fully as Welsh Government proceeds with the EIA of the Budget.
- 4.3 Jo Salway then took the group through the discussion paper that had previously been circulated. She highlighted how the previous EIA of the budget had focused on additional allocations and how the previous budgets themselves had been centred around jobs and the economy as key themes, which had influenced the budget allocation. Without knowing the focus of the next budget, growth and jobs continued to be a Government priority.

- 4.4 The group agreed in principal that it would not be possible to accurately undertake an EIA of the entire £15bn Welsh Government Budget. Jo Salway indicated to the group that we therefore need to consider at what level we actually undertake the EIA, so that it can inform spending decisions taken. The group agreed to this and that there was a need for the EIA to actually influence the decision, as earlier approaches appeared to give the impression that the EIA had been undertaken in isolation from the actual budget making process. The group queried as to whether we should consider looking at a multi-layer approach of consideration and assessment, as there are certain larger elements of the budget over which there is no opportunity for discretion, which may not necessarily be worth assessing for equality impact. An ongoing EIA process at a below strategic level, which would not be so restricted by the budget setting time frame, but could still feed into penultimate spending plans. It was suggested that this would allow for a stronger narrative to accompany the budget, but that which is more focused at the strategic level.
- 4.5 The group accepted that the ability to improve the EIA of the budget would be a long term objective, rather than something which will be able to deliver significant improvements immediately.

5. Securing a Relevant & Accurate Evidence Base

- 5.1 The discussion from agenda item 4 naturally led into a discussion around the evidence base.
- 5.2 The group had concerns about the use and visibility of the evidence that influences the EIA and subsequent spending decisions of the Welsh Government. It was felt that the evidence that is already available is under-used and is not always collated to allow conclusions to be drawn. It is intended that one of the focuses of this group could be to bring attention to other information that is available but that the Welsh Government is unaware of.
- 5.3 Jonathan Price, the Chief Economist at the Welsh Government, also outlined that in order to provide a much more detailed background to our decision taking, there is a need for very specific evidence centred around each of the protected characteristics, which is currently not available. It would be too costly to generate the large scale research projects required to remedy this, but there are steps that can be taken, such as evidence sharing across the Welsh Government and between public sector organisations, and gathering evidence through policy delivery. As such it was agreed that the development of the evidence base is a long term objective to which the group can contribute significantly.
- 5.4 It was suggested that there are areas where potential comparisons may be made based on the 'ceteris paribus' principle ('all things being equal'), for example in considering how local authorities spend their allocation of the Revenue Support Grant (RSG) and monitoring the impact of that. It was expressed that there are however severe capacity constraints facing the Welsh Government and across public authorities in Wales which would make this difficult alongside the significant costs that would be required to increase sample sizes to allow for the protected characteristics to be focused on, and

the limited confidence that might result from this. However, it was accepted that local authorities and other public services must have evidence that could be utilised by the Welsh Government when considering the impacts of our decision-making, and as such there is a critical need for the Welsh Government to liaise at a local level at an early opportunity.

- 5.5 Agreement was given that separate evidence needs to be considered for the protected characteristics and poverty and that whilst it is accepted that there are often inherent links between the two, we need to be aware of why an impact takes the form it has and that for the two issues there may be conflicting forms of intervention required to remedy the impacts.
- 5.6 The group expressed the view that this long-term objective to build in evidence would also be required to provide effective monitoring of the Budget EIA and in order for it to withstand challenge. Evidence and data are required in order to maintain the live format of the EIA.

Action: All attendees to consider potential evidence sources they feel may feed into the evidence base and to circulate to the other group members.

6. Date of the Next BAGE Meeting

- 6.1 Whilst it was agreed that the group would meet twice annually, and that the next meeting should take place in September, the group raised concerns that six months seemed too distant and that there was the risk of losing momentum of the issues raised in terms of the timing of the next budget and the EIA of it. It was agreed that a date would be considered for the end of July.
- 6.2 Amelia John thanked everyone for attending the first meeting of the BAGE and closed the meeting.

Action: The Welsh Government to organise a date for the 2nd meeting of the BAGE in July 2013.

Summary of actions

- 1. EDID officials to amend and re-circulate the Terms of Reference to provide for the monitoring function of the group and to ensure the distinction between poverty and equality impacts is strengthened.**
- 2. EDID officials to circulate the 2011-12 Draft Budget EIA and the 2013-14 Draft Budget EIA to the group for their information.**
- 3. All attendees to consider potential evidence sources they feel may feed into the evidence base and to circulate to the other group members.**
- 4. The Welsh Government to organise a date for the 2nd meeting of the BAGE in July 2013.**

DC/JH/00080/13

March 2013

Budget Advisory Group for Equality
Monday 15 July 2013
Conference Room 23, Ty Hywel, Cardiff Bay
14.00 – 16.30

Attendees

Jane Hutt AM – Chair	Minister for Finance
Jeff Cuthbert AM	Minister for Communities and Tackling Poverty
Jo Salway	Strategic Budgeting, Welsh Government
Katie Marsden	Strategic Budgeting, Welsh Government
Claire McDonald	Head of Equality, Welsh Government
Jonathan Price	Knowledge & Analytical Services, Welsh Government
Rhian Davies	Disability Wales
Caroline Joll	Cardiff University Business School
Bethan Bateman	Child Poverty Unit, Welsh Government
Richard Self	Welsh Local Government Association
Kate Bennett	Equality and Human Rights Commission
Jessica McQuade	Welsh Council for Voluntary Action (WCVA)
Paula Walters	NHS Centre for Equality and Human Rights
Jeff Andrews	Specialist Policy Adviser
Chris Roberts	Specialist Policy Adviser
Secretariat	
Gemma Smith	Fairer Futures Division, Welsh Government

1. Welcome and Introductions

1.1 The Minister for Finance welcomed the group and thanked them for their attendance at the second meeting of the Budget Advisory Group for Equality (BAGE).

1.2 Apologies had been received from:

Adele Baumgardt, WENWales
 Aliya Mohammed, Race Equality First
 Andrew White, Stonewall Cymru
 Martyn Jones, Age Concern
 Amelia John, Welsh Government

1.3 The Minister for Finance informed the group that since the first meeting of the BAGE, the outcome of the UK Government's Spending Round was now known. She outlined how this confirmed that the Welsh Government would face some exceptionally difficult decisions in delivering their priorities in the coming months and years ahead. The Minister for Finance explained that this economic environment meant that the BAGE had a greater role to provide evidence and dialogue to assist the Welsh Government in taking advantage of all available opportunities and to ensure effective equality considerations are built into this decisions making.

2. Ministerial Portfolio Changes

- 2.1 The Minister for Finance informed the group that there have been changes to Ministerial portfolios since the first meeting in March. Whilst she had retained responsibility for the Welsh Government Budget, responsibility for Equality sat within the Communities and Tackling Poverty portfolio, which was the responsibility of Jeff Cuthbert. She took this opportunity to welcome and invite the Minister for Communities and Tackling Poverty to introduce himself to the group.
- 2.2 The Minister for Communities and Tackling Poverty introduced himself to the group, outlining that he was on a learning curve in terms of the Equality Impact Assessments (EIA) of the budget. The Minister for Communities and Tackling Poverty confirmed that equality was at the heart of all of the Welsh Governments actions. He indicated that his previous Ministerial role as Deputy Minister for Skills, was closely aligned to his new responsibility, as it was vital that equality of opportunity surrounding skills was available to all. He confirmed the importance of the group and his role within the group.
- 2.3 The Minister for Finance reaffirmed her commitment to the Equality duties in Wales and to the process of Equality Impact Assessment.

3. Matters Arising – Action Points

- 3.1 The Minister for Finance asked Claire McDonald to update the group on the progress made against the action points from the previous meeting of the BAGE.
- 3.2 Claire said that the terms of reference of the BAGE had been amended to reflect the monitoring function of the group and to ensure the distinction between the poverty and equality impacts had been strengthened. The amended terms of reference had been approved by the Minister and had been circulated to the BAGE Members.
- 3.3 Claire advised that both the 2011-12 and 2013-14 EIAs of the Draft Budget had been circulated to the group for information.
- 3.4 Claire advised that the group had been issued with a formal call for evidence with regards to the EIA of the Budget 2014-15 , asking members to bring forward evidence and data sources that may be useful to assess equality impacts of the Budget and for difficulties in sourcing evidence to also be shared. What had been provided had been circulated to the group and would be discussed later in the meeting under agenda item 5.

4. Spending Round 2013 – Implications for Wales

- 4.1 Jo Salway presented to the group, providing an update on the outcome of the Spending Round 2013, and the implications this is likely to have for Wales. The severity of the financial future highlighted by the Minister previously was further confirmed, as Jo Salway reported to the group that Wales will receive a cash-flat budget, and that in real terms, when considered against the inflationary pressures and costs we face, this is represented as a real term

decrease of 2% in our revenue funding. These difficulties are further enhanced as we have had a continual range of small real term reductions to our Budget over the last few years, which independently we have been able to manage, but when considered in the full term, these indicate a significant scenario that needs to be addressed.

- 4.2 Jo outlined to the group the limitations that the Welsh Government has in setting the Budget process (and subsequently in the decisions that we can impact assess). Firstly, she outlined to the group that 2/3 of the Budget is protected, which means that if these protections continue, any reductions need to be found from within the remaining one-third of the budget. As such, any impacts to these areas are likely to be significant. She also explained how the Budget we receive via the Barnett Formula, reflects the UK Government's spending priorities.
- 4.3 Jo indicated that 12% of the capital budget available to Wales has been earmarked for financial transactions meaning that there are restrictions on its use, which will further constrain the Welsh Government's ability to use the resources available to support its priorities.
- 4.4 Jo confirmed that indications suggest that the current trend of reduced budgets and austerity measures are set to continue. As such, she expressed the need for the Welsh Government to move away from what we have continually be doing year on year, in trying to absorb each small reduction. The cumulative impact of these cuts cannot feasibly be managed in this manner and preventative action would not be effective. Therefore, in order to effectively manage the reductions we face, we need to allow this forum to provide meaningful discussion and suggestions to come forward, which can be used to feed into the Welsh Government's decisions surrounding the Budget. At this point Jo invited comments and suggestions from the group.
- 4.5 The group acknowledged the severity of the situation faced, and indicated that this would prove it difficult to protect everyone. As such, it was felt this indicated a need to focus resources where possible on who we can protect, and those areas of expenditure that provide potential long-term savings. This required long-term investment but early intervention should be focused on children and young people, for example through education, in order to prevent intergenerational cycles and start long term changes.
- 4.6 The Minister for Finance accepted these comments and said that the Budget will have a very strong preventative spend and tackling poverty theme, and that these themes have also driven the budget plans that we currently have. The Minister for Communities and Tackling Poverty echoed this commitment and outlined how it was supported by both the Tackling Poverty Action Plan and our plan for this budget to be illustrative of the consideration given to sustainable development.

5. Draft Budget 2014-15 Preparations – Priorities and Evidence

- 5.1 Jonathan Price was invited to discuss the commission for evidence. He outlined that we had received sources of information and evidence from the EHRC and the NHC CEHR. He also stressed that in evaluating the evidence available it was apparent that there are significant difficulties in collecting and using evidence in this area. Firstly, he outlined that in many scenarios it is difficult to establish impacts on the protected groups and that there is difficulty in disentangling those protected group impacts from the socio-economic impacts. .
- 5.2 Further he outlined that whilst we wanted to consider the long-term impacts and effects of our spending plans, it was very challenging to do so. The evidence we have and currently hold, will not provide decisive conclusions on such long-term considerations and we have to use a large element of judgement when we do so. Jonathan Price also advised that a further difficulty we faced was that there was an inevitable lack of evidence to illustrate the impacts of our decisions when taken at the high strategic level of the setting the budget, since the impacts will be determined by the details of how those changes are actually implemented. Accordingly, the evidence we do have access to, is more limited to considering impacts at our actual policy making level.
- 5.3 Jonathan outlined that further to the evidence already circulated to the group, he had previously identified two alternative sources which he felt would prove useful in the analysis of the impacts of our budget spend, even though they were related to the UK level : Mainstreaming Public Services and the Impact on Neighbourhood Deprivation (a report undertaken by Bromley et al, outlining who might potentially benefit from public spending); and, the Institute for Fiscal Studies (IFS) report on the distributional impact of public spending in UK. This evidence was held at a UK level only but by focusing on disadvantage in general, it does offer the potential for use in considering spending impacts. Jonathan acknowledged that whilst these did not eradicate issues with information that he had highlighted previously, they did give an indication of potential impacts we might face, and should not be overlooked. At this point Jonathan invited the group to consider whether they agreed with his interpretation, during which the following points were raised.

Action: Fairer Future officials to circulate the additional evidence sources discussed within the meeting, to all group members.

- 5.4 The group accepted the difficulties outlined in both sourcing and the use of evidence to inform our decisions, in particular at the budget setting level. As such, the group felt there was potential that the EIA should be considered as a 'stop and think' check in the budget setting process, providing an opportunity for effective engagement to be undertaken in order to feed into and support the evidence base. It was highlighted that there are potential risks in that limited or no engagement would result in decisions being made that are based on the lifestyles or experiences of the decision maker, rather than the end-user. It was advised that there was a need to link our spend to 'need' within Welsh society.

- 5.5 It was argued that the EIA should be viewed as the opportunity of giving people a voice, rather than as an iterative process. The success of this was felt to be dependent on the stage at which it is brought into the process. If considered early enough, it was felt that this may provide for further options to be considered, such as co-delivery through both third sector groups and the public sector.
- 5.6 It was argued that this should be supported through effective monitoring and review. The requirement to monitor impacts, will ensure evidence collection is established at the start of the process, addressing certain evidence gaps at the first instance. Claire McDonald informed the group that policy officials across the Welsh Government had improved his area but that this was a requirement built into current EIAs process.
- 5.7 The Minister for Finance took the opportunity to reaffirm the commitment of the Welsh Government to building equality into the Budget Process and informed the group that she saw it as a means of setting and establishing the 'Priorities for Wales' and as such the Budget for 2014-15 would carry that name. The budget would focus on key issues such as health and the continual funding of domestic abuse policies, and would support to our legislative programme which was essential to protecting and delivering the best for the people of Wales.
- 5.8 It was requested that given the difficulties faced in using specific detailed evidence and the reliance we have on a certain level of judgement, the EIA should reflect this in its narrative, making it a process of influence. The EIA should be transparent not only about the decisions to be taken but also about how we have conducted it and what judgements have been undertaken. In doing so, the Welsh Government would be able to manage the expectations of the EIA held by external stakeholders. It was suggested that further work be undertaken to supplement the EIA and to rectify the difficulties faced when considering relevant evidence with the use of effective case studies at the detailed decision-taking level.
- 5.9 Jo Salway took the opportunity to confirm the timetable of the Welsh Government budget process to the group. The Draft Budget would be published on the 8th October. It would be subject to a debate on 19th November, and subject to Final Debate on 10th December. This process provides the Government with the opportunity to reflect on the proposed spending decisions. The Finance Committee would scrutinise the budget, including the equality impacts of the budget. A call for evidence had been issued, but the group was informed in previous years, there has been very little direct response to this. It was outlined that it is very difficult to involve more scrutiny before the draft budget stage due to the short time-frame operated within. As such the BAGE was seen as vital to the scrutiny process.
- 5.10 The Minister for Finance said that in light of the views provide at the meeting, the engagement process will need to start immediately. She outlined that it should be an item for discussion at the various forums available, including the Disability Advice Forum and the Race Wales Forum, which should be used as a platform to contribute on the budget discussions. The Minister for Communities and Tackling Poverty, also took the opportunity to outline that the EIA of the Budget was a key objective of the Strategic Equality Plan (SEP) and

as such was cross cutting in its nature. The Framework for Action on Independent Living, for example, had provided an opportunity for early engagement and discussion, much of which had provided views towards budget priorities and impacts.

Action: Fairer Future officials to organise a future meeting of the BAGE to coincide with the scrutiny stage of the EIA of the Draft Budget.

6. Equality Impact Assessment – Approach for Draft Budget 2014-15

- 6.1 The Minister for Finance invited Claire McDonald to update the group on the Welsh Government's proposed approach to the EIA of the 2014-15 Draft Budget. Claire informed the group that the Welsh Government has learnt a lot from previous EIA of its Budget and also through the open interaction and discussions that the Welsh Government has invited on them. The recommendations of the Appreciative Inquiry and of the Finance Committee would be addressed in the approach this year with the Welsh Government's formal response to the EHRC's Appreciative Inquiry, contained within the Assessment report.
- 6.2 Claire advised how the EIA this year was intended to better enhance our impact assessment and decision making, and that the approach this year will also allow for consideration to be given to the sustainable development impacts, impacts on the Rights of the Child, and a continued consideration of the socio-economic impacts. Claire outlined how this would then be supported through an annex in which the cumulative impacts on each protected group would be narrated, allowing ease of reference for the reader.

7. Date of Next Meeting

- 7.1 The Minister for Finance further outlined the need for the group to meet again during the scrutiny stage, and that the next meeting of the BAGE should be scheduled for early November.
- 7.2 The Minister for Finance thanked the group for attending and for their continued contributions to this group.

Summary of actions

- 1. Fairer Future officials to circulate the additional evidence sources discussed within the meeting, to all group members.**
- 2. Fairer Future officials to organise a future meeting of the BAGE to coincide with the scrutiny stage of the EIA of the Draft Budget.**

Budget Advisory Group for Equality (BAGE)
Monday 21 October 2013
Conference Room 24, Ty Hywel, Cardiff Bay
10.30 – 12.30

Attendees

Jane Hutt AM – Chair	Minister for Finance (attending 11.30am onwards)
Jeff Cuthbert AM	Minister for Communities and Tackling Poverty (attending 11.30am onwards)
Amelia John	Fairer Futures Division, Welsh Government
Jo Salway	Strategic Budgeting, Welsh Government
James Burgess	Tackling Poverty Unit, Welsh Government
Sharon West	Fairer Futures Division, Welsh Government
Caroline Joll	Cardiff University Business School
Christine O’Byrne	Chwarae Teg, Women’s Equality Network Wales (WEN Wales)
Kate Bennett	Equality & Human Rights Commission (EHRC)
Richard Self	Welsh Local Government Association (WLGA)
Rhianydd Williams	TUC
Aliya Mohammed	Race Equality First, Ministerial Advisory Forum for Race
Rhian Davies	Disability Wales, Ministerial Advisory Forum for Disability
Secretariat	
Sian Lewis	Fairer Futures Division, Welsh Government

Apologies had been received from:

Paula Walters, NHS Centre for Equality & Human Rights
Andrew White, Stonewall
Ceri Cryer, Age Cymru
Jonathan Price, Welsh Government
Gemma Smith, Welsh Government

BAGE Pre-Meet

1. Matters Arising – Action Points

- 1.1 Amelia John opened the meeting and thanked members for their attendance.
- 1.2 Amelia confirmed that both actions from the previous meeting had been completed. The additional evidence sources discussed within the previous Budget Advisory Group for Equality (BAGE) meeting had been circulated to all group members. The third meeting of BAGE had been organised to coincide with the scrutiny stage of the Draft Budget, including consideration of the Equality Impact Assessment (EIA).

2. Draft Budget 2014-15

- 2.1 Jo Salway presented to the group, providing an update on the Draft Budget 2014-15 and the implications this is likely to have for Wales. Jo raised the following key points:
- By 2015-16, the Welsh Budget would be £1.68 billion lower in real terms than it was in 2010-11.
 - Budget changes for Wales were determined by the Barnett formula which reflected the UK government priorities, not the priorities of the Welsh Government.
 - The Welsh Government had continued to protect budgets for schools and universal benefits and retained a focus on growth and jobs.
 - The NHS was a key priority in the budget with additional funding of £180 million in 2014-15 and £240 million in 2015-16.
- 2.2 Jo explained that a thematic approach to the Draft Budget had been adopted. This was in part a reflection of discussions around improving the impact assessment of spending decisions. It allowed the Government to focus more on its strategic priorities and ensured that decisions reflected the impact at each stage.
- 2.3 Jo outlined some of the measures and spending commitments of the Welsh Government in relation to growth and jobs, educational attainment, and supporting children, families and deprived communities.
- 2.4 She concluded by focusing on the EIA and stressing how important it was that equality considerations were integrated into the budget process and every decision-making process from the outset. She explained that steps had been taken in this year's EIA towards an integrated approach to impact assessments, covering equality, socio economic disadvantage, children's rights, Welsh Language and sustainable development and departments would build on this for future EIAs of the Draft Budget.
- 2.5 At this point, Jo invited comments and suggestions from the group.
- 2.6 Members of the group thanked Jo for an informative and succinct presentation. The group acknowledged the severity of the situation arising from the budget constraints and accepted that resources would not allow for all that was desired to be realised.

3. Draft Budget 2014-15 EIA

- 3.1 Amelia John said that the EIA document “Draft Budget 2014-15: Assessing for Equality Impacts” was published as a stand alone document on 8 October as part of the Draft Budget package. She summarised the changes in approach this year: the assessments followed a thematic approach to align with the Draft Budget; an overview of the impact of the budget on each of the protected characteristics was provided as was the Welsh Government’s response to the Appreciative Inquiry. She invited comments on the approach.
- 3.2 It was acknowledged that much time and effort had been taken by the Welsh Government in producing the document and the commitment to equality was recognised and welcomed. Some members of the group requested that a less detailed, shorter document be produced which took a more strategic view and provided more overview of the potential negative impact of the budget and how this would be mitigated.
- 3.3 As an example it was suggested that where the Welsh Government cannot know the impact, because for example there is a reduction in funding to a third party, then the EIA should simply state that the Minister would require the partner body to impact assess their spending decisions, rather than speculate on what the impacts might be.
- 3.4 Amelia highlighted the challenge of producing a document which would meet the needs of all interested stakeholders in an accessible way.

4. Future Role of BAGE

- 4.1 Sharon West suggested ways in which the BAGE could move forward which included meeting on a quarterly basis and including a workshop approach based around specific themes or policies. Sharon suggested future themes could include: the Future Generations Bill, the Tackling Poverty Action Plan, Capital and Infrastructure spend and EU funding. She proposed that future meetings should be held in January, April, July and October 2014 and that the outcomes of the meetings should continue to be communicated to the Minister for Finance and the Minister for Communities and Tackling Poverty; with Minister’s attending at least two meetings.
- 4.2 Members of the group agreed that more frequent and focused meetings would be beneficial. However they would like the meetings to retain an overview of strategic plans and an update on the stages of the budget process. There was a discussion around the benefits of gender budgeting and whether a workshop could consider lessons that could apply to other protected characteristics. It was suggested that the areas considered in Caroline Joll’s paper should also be considered by the group, possibly as part of a workshop on Tackling Poverty.

BAGE Ministerial Meeting

5. Ministerial Welcome and Introductions

- 5.1 The Minister for Finance welcomed the group and thanked them for their attendance at the third meeting of the Budget Advisory Group for Equality. As there had been some changes to membership, the Minister asked for round table introductions.
- 5.2 The Minister for Finance informed the group that, since the previous meeting of the BAGE, the Draft Budget proposals had been published which set out the spending plans for the next two years. The Minister for Finance also confirmed that the Equality Impact Assessment document had been published which set out the approach taken to consider the impact of spending decisions.
- 5.3 The Minister for Finance welcomed the meeting as an opportunity to discuss the budget decisions made to support the priorities for Wales. She explained that the spending plans had been shaped by the challenging financial context and difficult choices had to be made when setting budgets. However, she confirmed that the Government's priorities continued to be health, schools, universal benefits and continued support for growth and jobs.
- 5.4 The Minister for Communities and Tackling Poverty endorsed the comments of the Minister for Finance. He explained that in his current and former role, as Deputy Minister for Skills, he had ensured that his spending decisions promoted equality and protected those who were most disadvantaged. He reaffirmed the importance of the Equality Impact Assessment within the Draft Budget and welcomed the opportunity to work with the group to further develop the EIA.

6. Feedback from Pre-Meeting

- 6.1 The Minister for Finance asked the group to feedback the conclusions from the pre-meeting. Amelia John confirmed that the discussion had been both constructive and worthwhile.
- 6.2 The group accepted that the budget posed significant challenges but welcomed the Welsh Government's approach.

- 6.3 The group summarised the discussion in the previous meeting. They acknowledged the difficulty of producing the EIA and the challenge of meaningfully assessing the budget. However the group agreed that the document was too long and provided too much context. They would welcome within a more focused approach, a strategic overview of the positive and negative impacts of budget decisions on equality. One suggestion for shortening the document would be to avoid speculating on the potential impacts of lower level decisions and confirm that the Minister would require that those decisions were also impact assessed. The group suggested that a substantially shorter document containing less background information and more focus on key strategic decisions and their positive and negative impacts would be more publically accessible.
- 6.4 The Minister for Finance acknowledged that the EIA was long. She explained that one reason for adopting a thematic approach had been to enable impacts to be explored across portfolios which allowed all Ministers to examine the best ways to reflect their priorities. She reiterated the importance of preventative investment, such as tackling violence against women and free prescriptions, and identified the EIA as the most appropriate way of focusing on this. She felt that the background detail was important. She suggested that a summary document could also be provided alongside, or as a part of, the main document.
- 6.6 The Minister for Communities and Tackling Poverty also considered the detail contained within the EIA document as necessary. He stressed that the document should be accessible and that the next one should be as publicly focused as possible. He accepted that, as the process embeds itself, lessons would be learned and departments would undertake impact assessments as a matter of routine.

**7. How does Government spending on public services affect inequality?
Caroline Joll, Cardiff University**

- 7.1 Caroline Joll presented to the group, providing a summary of the available evidence regarding how government spending on public services affects inequality (papers and presentation in Annex).
- 7.2 Caroline confirmed that little research had been conducted in this area and provided an overview of the work undertaken by Tonkin (2013), Sefton (2002) and Bramley (2005). She accepted there were limitations to the research as it equated benefit of spend with level of expenditure and these did not necessarily correlate.
- 7.3 She identified that all progressive programmes were pro-poor but not all pro-poor programmes were progressive. Caroline suggested that more case-related research would be useful when determining the cost-benefit relationship.

7.4 The Minister for Finance thanked Caroline for the work undertaken and her informative presentation. She agreed that more research was required in this area, particularly in respect of the protected characteristics. She reiterated the need to focus on the outcomes of spending to ensure maximum impact.

8. Future role of BAGE

8.1 Amelia John explained that the suggestion had been put forward for quarterly meetings, in the form of workshops, to cover specific policy and programme themes. She considered this approach would support a more focused and meaningful discussion.

8.2 The Minister for Finance supported the suggestion for more frequent and subject-led meetings and suggested that they use Caroline Joll's paper as underpinning evidence. She reiterated her commitment to engaging with the group in order that their knowledge and expertise be shared to inform equality considerations of the budget.

8.3 The Minister for Communities and Tackling Poverty also welcomed this approach and suggested that workshop on the Future Generations Bill would allow for worthwhile discussion around both the intent and practicalities. He also felt EU funding would be a key area as it represented a huge opportunity for pro poor policy making.

8.4 The Minister for Finance reiterated her commitment to engaging with the group and to work with them on progressing pro-poor policies. She reiterated her desire to follow-up and take forward the work undertaken by Caroline Joll in order that it provide the context for what is trying to be achieved.

9. Date of next meeting

9.1 It was agreed that the next meeting of the BAGE should be scheduled for January 2014.

9.2 The Minister for Finance stressed the importance of continued membership and representation on the group. She thanked the group for their attendance and for their continued contributions to the group.

Summary of actions

- 1. Fairer Futures officials to organise a future meeting of the BAGE in January 2014.**

Budget Advisory Group for Equality
Tuesday 21 January 2014
Room 4.08, Cathays Park, Cardiff
14.00 – 16.00

Attendees

Amelia John	Deputy Director Fairer Futures Division
Andrew Charles	Fairer Futures Division, Welsh Government
Steven Marshall	Chief Social Research Officer
Katie Marsden	Strategic Budgeting, Welsh Government
Sharon West	Fairer Futures Division, Welsh Government
Jonathan Price	Chief Economist, Welsh Government
Rhian Davies	Disability Wales
Caroline Joll	Cardiff University Business School
James Burgess	Child Poverty Unit, Welsh Government
Richard Self	Welsh Local Government Association
Wayne Vincent	Equality and Human Rights Commission
Rhianydd Williams	Trade Union Cymru
Paula Walters	NHS Centre for Equality and Human Rights
Andrew White	Stonewall Cymru
Eleanor Davies	WEN Wales
Ceri Cryer	AGE Cymru
Alan Blighe	Knowledge & Analytical Services, Welsh Government
Secretariat	
Gemma Smith	Fairer Futures Division, Welsh Government
Apologies	
Aliya Mohammed	Race Equality First
Naomi Alleyne	WLGA
Jo Salway	Welsh Government
Kate Bennett	EHRC
Julie Cook	TUC

1. Welcome and Introductions

- 1.1 Amelia John welcomed the group and thanked them for their attendance at the Budget Advisory Group for Equality (BAGE). Amelia invited the group to introduce themselves to other group members.
- 1.2 Amelia outlined that at the last meeting of the BAGE, it had been agreed that the twice yearly meetings would be supplemented with workshop style meetings on specific topics and themes. This meeting would be the first of these workshops and would focus on current work on the Future Generations Bill.

2. Budget Update

- 2.1 Katie Marsden provided an update on the Welsh Government's Final Budget 2014-15. She outlined to the group that there had been very minimal changes

between the Draft and Final Budgets 2014-15. She highlighted that the Final Budget 2014-15 had been published on 3 December and as such, did not reflect the changes in the UK Government's Autumn Statement, which was announced on 5 December.

- 2.2 Katie explained that Ministers were considering options following the Autumn Statement but that importantly, increases in expenditure could not be replicated without also replicating the decreases that the UK Government had made to Departmental Budgets.

3. Impact Assessment Draft Budget 2015-15

- 3.1 Sharon West gave an update to the group on considerations for improving the Equality Impact Assessment (EIA) of the Draft Budget for 2015-16. She explained that Ministers had made a commitment to move towards a more integrated approach, which would include a more robust assessment on the Rights of the Child, Welsh Language, socio-economic impacts and sustainable development impacts. Sharon confirmed to the group that there would be no dilution of equality considerations within this approach.

- 3.2 Sharon explained that an internal workshop had been held within Welsh Government with officials from across Departments to examine the lessons learned from experiences of developing impact assessments of the Budget. She said that they had taken on board the views raised by the BAGE at their meeting on 21 October: that the EIA of the budget had been too long and provided too much context; and, that a more focused approach would be welcomed with less background information and more focus on key strategic decisions. Officials were considering options for improving the Budget EIA including:

- providing an integrated impact assessment based on the duties set out in the Future Generations Bill;
- making the document more accessible to the reader by providing a shorter summary of key decisions supplemented by chapters detailing decisions and their impacts by department; and,
- providing an evidence annex which would be developed by Knowledge and Analytical Services (KAS) throughout the year to ensure that it is robust and consistently used by Departments.

- 3.3 Sharon invited the group to provide their comments and ideas which would be used to help advise the Ministers of the forward look of future draft budgets.

Action: Group members to reflect further on thoughts of how future EIA's should look and steps at how we can report in a more integrated manner.

- 3.4 The group asked if it was possible for them to see the future Draft Budget EIA as a work in progress, giving them the opportunity to provide suggestions and

advice throughout the drafting process. It was outlined to the group, that whilst every effort would be made to share templates and the direction of travel with them, due to the strict time frame within which to draft the assessment, combined with the highly confidential nature of the information being assessed at that time, to have a completely open approach would not be possible. However, the BAGE would be fully consulted on the approach being taken towards the EIA.

- 3.5 The group asked how the Welsh Government monitored the outcome of individual Budget decisions and their subsequent equality impacts and how this could be demonstrated. Jonathan Price confirmed that whilst such monitoring and evaluation was desirable, it would be very difficult to do so in practice. Ongoing evaluation should take place in order to provide effective monitoring of our assessments, but this is impeded by a lack of available data and how the majority of the impacts are not necessarily apparent in the immediate future.
- 3.6 The group requested that the evidence base that was used should be more visible within the assessment itself. Data and evidence should be used to annotate and support the assessment throughout, taking the form of tables and diagrams wherever possible.
- 3.7 The group felt that the EIA should be transparent where Welsh Government have been unable to gather the necessary evidence and why. It was felt this would allow us to prioritise and identify where more effort was needed to undertake and commission data gathering. It was also expressed that where there was a lack of empirical data, non-statistical evidence should be given greater consideration, including the life experiences of protected groups. Age Cymru advised that there was a report on Bus Travel that would be of use to the group.

Action: Group members are requested to share any identified information with BAGE members and flag to the Welsh Government sources of info that might help us with our impact assessments.

4. Developing the Evidence Base for Draft Budget 2015-16

- 4.1 Jonathan Price informed the group that the Welsh Government was committed to developing a robust evidence base on a continual basis to underpin spending decisions. He stressed that any evidence that the BAGE members could share would be valuable, and requested that they highlight where they felt key evidence sources were missing.
- 4.2 Jonathan raised the limitations of the existing evidence base, with regards to certain protected characteristics because of the limited financial information available for them; and that the evidence used tended to rely on general assumptions built in regarding the average association between disadvantage and protected characteristics for these groups. Jonathan outlined the range of

analysis available from the Census 2011 which could contribute useful new information on the socioeconomic characteristics of protected groups.

- 4.3 Steven Marshall confirmed that the Welsh Government wanted to make more use of the fresh evidence source provided by the Census 2011. (A summary of 2011 Census outputs relating to Equality which included releases from the Office for National Statistics, the Joseph Rowntree Foundation and the Centre on Dynamics of Ethnicity had been circulated to BAGE members prior to the meeting).
- 4.4 Steve outlined how the Welsh Government was actively involved in exploring the potential to use data generated by linking various administrative datasets. He said that this was the most realistic way to obtain information on smaller population groups. An additional benefit was that it would provide detailed information on an ongoing basis as well as the possibility to look back in time. Existing data linked in this way is largely NHS data but other important information has already been included such as the individual public census data.
- 4.5 Steve informed the group that the potential for making use of administrative data in this way was restricted by the existing legislation governing the use and sharing of data. However, the UK Government were developing legislation specifically on data sharing and the Welsh Government was keeping a close eye on this. He would continue to update the group on progress.

5. Future Generations Bill

- 5.1 Andrew Charles introduced himself to the group. He outlined the context of proposed Future Generations Bill, the commitment in the Programme for Government and the Welsh Government's commitment to sustainable development as a central organising principle. A presentation was made to the group, providing an update of Welsh Government's current thinking on the Future Generations Bill. He stressed that the presentation provided indications of current proposals and that this should be regarded as confidential at this stage.
- 5.2 Andrew outlined:
 - the intergenerational sustainable development challenges Wales faces, such as demographic changes, poverty, climate change and inequality.
 - how taking a more sustainable approach to these challenges can realise opportunities such as green growth and more resilient communities.
 - these challenges and opportunities can be best addressed through a concise list of goals.
 - these Goals can only be achieved through shared responsibility across the public, private and third sector in Wales.
- 5.3 Andrew outlined to the group the Sustainable Development Charter initiative, and how it was a best practice network for organisations who had made a voluntary commitment to put sustainable development at the heart of their organisation. When asked, no external members of the group were previously aware of the charter and Andrew encouraged the group to visit the website.

Action: Fairer Future officials to circulate the information regarding the Sustainable Development Charter including web links to all group members.

Website :
Welsh Government
<http://wales.gov.uk/topics/sustainabledevelopment/uksusdev/sdcharter/?lang=en>
Sustainable Development Charter
<http://www.sd-charter.net/>

- 5.4 Andrew outlined to the group that named public service organisation would be placed under a new sustainable development duty and that there would be mechanisms in place to measure progress.
- 5.5 Andrew advised how this placed an importance on evidence, a large part of which would be gathered through engagement. .
- 5.6 Andrew outlined the 'National Conversation Cycle' that was proposed to be established by the Bill. The Minister for Communities and Tackling Poverty had asked the current Commissioner for Sustainable Futures to pilot a national conversation on 'The Wales we want'. This would be launched on 18th February and members of the group were encouraged to get involved in the conversation.

Action: Fairer Future officials to keep the group updated of the National Conversation pilot and to share details on previous engagement strategies.

Action: Group Members are invited to participate in the National Conversation and feed their views into the process.

- 5.7 The group asked whether there would be checks on organisations' compliance and what acts of enforcement would be used if required. Andrew advised that accountability was proposed to be delivered through a number of mechanisms. This would include indicators, audit (through the Wales Audit Office) of the new Commissioner for Future Generations, reporting and indicators. The role of the Commissioner was to be an advocate for Future Generations and to provide support and guidance to organisations.
- 5.8 Andrew reiterated that equality was a key cross-cutting theme and a requirement for sustainable development. The group were questioned on their views of how equality sat within the Future Generations Bill and how it fitted under the umbrella of sustainable development. The group identified potential benefits that the Bill could provide, for example the opportunity to build momentum on the issue of equality within established networks. It was also raised that there was the potential for the Commissioner's role to cover all sectors and themes including equality, strengthening the enforcement of giving consideration to equality issues by organisations.

- 5.9 Concerns were raised by the group, that with the pending challenges, it was essential that we work closely together in order to ensure equality was captured correctly within the Bill and was not diluted in its importance. Wales already has an equality duty and it was essential that the Future Generations Bill and subsequent additional duty placed on organisations would not contradict each other and should instead each support the other. The group recognised that any partnership working would be pivotal on the actual goals prescribed and any supporting indicators developed. The Draft Budget 2015-16 would take place before the introduction of the Bill, and as such should be treated as a test for the proposals and act as evidence for the Bill design. It was also suggested that there may be lessons to be learnt from the European Funding Programme and that the Bill should perhaps be aligned to this.
- 5.10 The group questioned whether there has been any engagement with the Wales Partnership Council? Andrew responded that it had not yet but would be in the future. Andrew advised how current discussions and engagement had been taking place through the Sustainable Development Charter network, with the Wales Council for Voluntary Action and through various breakfast meetings. Further information on this engagement along with future plans would be shared with the group.
- 5.11 Andrew closed the item, thanking the BAGE members for their views and thoughts on the current Future Generations Bill. He informed that any feedback would be greatly welcomed and encouraged future participation in the National Conversation.

6. Date of Next Meeting

- 6.1 Amelia John thanked the group for attending and for their continued contribution to this group.

Summary of actions

- 1. Action: Group members to reflect further on thoughts of how future EIA's should look and steps at how we can report in a more integrated manner.**
- 2. Action: Group members are requested to share any identified information with BAGE members and flag to the Welsh Government sources of info that might help us with our impact assessments.**
- 3. Action: Fairer Future officials to circulate the information regarding the Sustainable Development Charter including web links to all group members.**
- 4. Action: Fairer Future officials to keep the group updated of the National Conversation pilot and to share details on previous engagement strategies.**

- 5. Action: Group Members are invited to participate in the National Conversation and feed their views into the process.**

Fairer Futures Division
January 2014

Budget Advisory Group for Equality
Wednesday 2 April 2014
Conference Room 21, Ty Hywel, Cardiff Bay
9.00 – 11.00

Attendees

Jane Hutt AM	Minister for Finance
Jeff Cuthbert AM	Minister for Communities and Tackling Poverty
Caroline Joll	Cardiff University Business School
Aliya Mohammed	Wales Race Forum
Richard Self	Welsh Local Government Association
Wayne Vincent	Equality and Human Rights Commission
Rhianydd Williams	Wales Trade Union Congress
Paula Walters	NHS Centre for Equality and Human Rights
Helen Wilkinson	WCVA
Graeme Francis	Age Cymru
Simon Hoffman	Wales Observatory on Human Rights of Children and Young People UNCRC
Amelia John	Deputy Director Fairer Futures Division
Jo Salway	Deputy Director, Strategic Budgeting
Sharon West	Fairer Futures Division, Welsh Government
Alan Blighe	Knowledge & Analytical Services, Welsh Government
Sarah Dicker	Budget Policy, Welsh Government
Sara Ahmad	Economist, Welsh Government
Beverley Morgan	Tackling Poverty Division, Welsh Government
Secretariat	
David Jones	Fairer Futures Division, Welsh Government
Apologies	
Eleanor Davies	WEN Wales
Andrew White	Stonewall Cymru

BAGE Pre-meet – 9:00am

1. Welcome and Introductions

- 1.1 Amelia John welcomed the group and thanked them for their attendance at the Budget Advisory Group for Equality (BAGE) meeting. Amelia invited the group to introduce themselves to other members.
- 1.2 Amelia provided an update on the actions from the last meeting. Caroline Joll pointed out that the minutes of the last meeting had not been circulated to BAGE members. Amelia apologised and asked that they be circulated following the meeting.

Action: Officials to circulate minutes of January’s meeting to the group.

- 1.3 Jo Salway provided an update on the UK Government's Budget. She explained that this set the context for the Welsh Government's budget for 2015-16, but also included some additional allocations for 2014-15. In total, there was an additional £36.4 million over two years, comprising £7m revenue in 2014-15 and £11.7m revenue in 2015-16 and £13.9m capital in 2014-15 and £3.8m capital in 2015-16. The UK Government had also made an announcement about employer contributions to public sector pensions which would increase the pressures on the Welsh Government's budget.
- 1.4 Amelia made the group aware of Alan Blighe's work to collect and summarise equality evidence. Amelia asked group members to forward any specific research documents focused on protected characteristics in Wales to the Fairer Futures team.

Action: BAGE members to forward any research documents focusing on protected characteristics in Wales to FairerFuturesMailbox@wales.gsi.gov.uk

- 1.5 Amelia updated the group on the National Conversation, the precursor to the Fairer Futures Bill. Amelia encouraged the group to join in the conversation.

2. Tackling Poverty Action Plan Workshop

- 2.1 Beverley Morgan delivered a presentation to the group, outlining the background to Welsh Government's approach to tackling poverty and improving the outcomes of low income households. Beverley provided an overview of the Welsh Government's Tackling Poverty Action Plan – highlighting its key themes and the policies and programmes which support their delivery. Beverley emphasised the importance of partnership working, stressing the Welsh Government cannot address poverty alone.
- 2.2 Beverley explained how each Welsh Government department contributed towards the development of the Action Plan, and acknowledged the many challenges presented by factors such as the impacts of Welfare Reform. She put forward a list of questions for BAGE members to consider and invited the group to discuss the Welsh Government's approach to tackling poverty.
- 2.3 As well as a focus on reducing worklessness, Richard Self suggested there could be more emphasis on reducing in-work poverty in the Tackling Poverty Action Plan. Richard also highlighted that there was no single approach to reducing the number of young people who were NEET in Wales. He described the differences between young people who were NEET in the short term and long term.
- 2.4 Helen Wilkinson raised the issue of Rural Poverty. She asked whether there would be a refresh of the Tackling Poverty Action Plan that would take in-work poverty and Rural Poverty into account. Helen asked for an update on the links between Lift and ESF and European programmes. She stressed the importance of timely information to help the third sector plan, engage and help to deliver.

- 2.5 Helen recommended the Welsh Government highlight all the work that it did outside of the Action Plan (to reduce poverty) - as there was a lack of awareness by third sector organisations.
- 2.6 Wayne Vincent asked whether each Welsh Government department had its own plan to tackle poverty. Wayne also raised concerns over zero-hours contracts. Wayne stressed that people in deprived areas were not a homogenous group. He noted the work done by Dr Peter Matthews which drew out that not all people living in deprived areas were poor and not all poor people lived in deprived areas.
- 2.7 Caroline Joll referred to forthcoming reports on persistent poverty. She highlighted that although the risk of living in poverty was higher for workless households – there are fewer workless families in Wales. She stressed that both groups (those living in “in-work poverty” and those living in “out of work” poverty) were important and policies should not focus on one group at the expense of the other.
- 2.8 Graeme Francis asked where older people fitted into the Tackling Poverty Action Plan. He noted the Action Plan seemed to lack focus on older people.
- 2.9 Simon Hoffman raised the issue of using legislation as a lever to address poverty, such as introducing the socio-economic duty.
- 2.10 Paula Walters noted that local authorities were reducing resources for facilities, such as libraries and leisure centres, which could help people find a way out of poverty while at the same time trying to tackle poverty. Paula asked whether the Welsh Government had engaged with Local Government Equality Leads and Equality Champions.
- 2.11 Beverley said that there would not be a refresh of the Action Plan. The focus was on delivering against the agreed actions. The Implementation Board established in 2013 (which is chaired by the Deputy Minister for Tackling Poverty) was the key mechanism for holding each department to account for the commitments they had made (and individual targets and associated milestones). She reminded the group that all Welsh Government departments contributed towards Tackling Poverty, but added that not every action being taken forward by the Welsh Government to improve the outcomes of low income families was specifically mentioned in the plan. Amelia acknowledged the challenge in raising awareness of all the work being taken forward by the Welsh Government. Beverley discussed the importance of tackling in-work poverty and informed the BAGE that the next meeting of the Tackling Poverty External Advisory Group (TPEAG) would also focus on this issue.
- 2.12 Beverley thanked the group for their feedback during the workshop.

BAGE Ministerial Meeting – 10:00am

3. Ministerial Welcome and Introductions

3.1 The Minister for Communities and Tackling Poverty joined the meeting and thanked the group for attending. He informed the group that the Minister for Finance would be joining shortly. The Minister invited the group to introduce themselves and then invited Sara Ahmad to give her presentation on the Impact of the UK Government's Welfare Reforms in Wales.

4 Presentation on the Impact of the UK Government's Welfare Reforms in Wales

4.1 Sara Ahmad introduced herself and then gave an overview of her presentation.

4.2 Sara outlined:

- The policy changes introduced by the UK Government.
- The Welsh Government's three stage programme of research.
- Key findings to date: total loss of income in Wales; the impact on individuals/households in Wales; impact on employment; the impact of devolved public services and the impact on those with protected characteristics.
- Future research to further assess the impact.

4.3 Simon Hoffman questioned the estimated increase in working-age employment of 5000 people in Wales. Simon asked whether there was any indication of the type of jobs they would be moving into and the impact on in-work poverty. Sara explained the research did not give that information.

4.4 Wayne Vincent praised the detail of the research, particularly the individual attention given to each protected characteristic.

4.5 Rhianydd Williams pointed out the links between poverty and violence against women. Rhianydd questioned whether more could be done to help advice services put under strain by Welfare Reforms.

4.6 The Minister for Communities and Tackling Poverty thanked Sara for her presentation and welcomed the Minister for Finance to the meeting.

5 Tackling Poverty Workshop Feedback to Ministers

5.1 Amelia thanked the group for a productive workshop and presented to the Ministers the key points and considerations raised during earlier discussions.

- The need to carefully consider protected characteristics;
- In-work poverty and the need to address low wages and zero hour contracts;
- The need to address those further from the labour markets such as supporting those people who are NEET and those living in Rural Poverty;
- The diversity of people in poverty;
- Levers and legislation available to the Welsh Government to Tackle Poverty;
- The need to raise awareness of the range of work being taken forward by the Welsh Government to Tackle Poverty;

- The need to raise awareness of third sector organisations of ESF funding.
- 5.2 The Minister for Finance thanked the group for the feedback from the Tackling Poverty Action Plan Workshop. The Minister stressed the importance of this work and the need to identify the biggest impacts at this difficult financial period. She said that this was where the EIA had a crucial impact.
- 5.3 The Minister for Communities and Tackling Poverty acknowledged the need to focus on in-work poverty and zero hour contracts. The Minister reminded the group of the crucial role of the third sector in the Tackling Poverty agenda. The Minister brought the Rural Development Plan to the attention of the group and its section on Tackling Rural Poverty. The group were encouraged to take part in the consultation but were reminded that the consultation period came to an end in two weeks.
- 5.4 Graeme Francis raised the issue of the lack of public awareness of advice services and the role they played in Tackling Poverty. He observed that many people were not aware of the services available to them.
- 5.5 The Minister for Communities and Tackling Poverty assured the group that Advice Services continue to be a priority. The Minister spoke about the role of Advice Services in reducing the reliance on pay-day loans, and the importance supporting independent and sustainable credit unions.

6 Minister for Finance Budget Update

- 6.1 The Minister for Finance informed the group that the UK Budget did not improve the current challenging financial outlook for Wales. The marginal consequential were significantly smaller than the pressures imposed by the pension changes made by the UK Government. These would impact across the whole Welsh Public Sector putting additional pressure on public services and would force us to bear additional costs of at least £70m over the two years from 2015-16. This Budget followed four years of cuts and its impact on Wales would be equivalent to a further cut. The Minister explained that the 2015-16 budget would be 10% lower in real terms than in 2010-11.
- 6.2 The Finance Minister informed the group that she would undertake a series of regional Budget Events across Wales to meet key stakeholders and partners in order to discuss how the financial challenges facing the Welsh Government were translating into the services we delivered to our citizens. The Minister invited the group to attend these meetings as observers.

Action: Officials to provide BAGE members with information on the Finance Minister's Budget Events

7 Update on the Future Generations Bill

- 7.1 The Minister for Communities and Tackling Poverty informed the group that work on the Future Generations Bill was quickly progressing. The Minister gave some background on the Bill to the group.

7.2 The Minister updated the group about the national conversation on the 'Wales We Want' and stressed this was an opportunity for the people of Wales to let the Welsh Government know what they would like to see in the Future Generations Bill. The Minister invited group members to get involved in the conversation and to encourage others to join in too.

Action: Officials to circulate information on the Future Generations Bill and National Conversation.

8 Date of Next Meeting

8.1 The Minister for Communities and Tackling Poverty thanked the group for attending the meeting and announced that the next BAGE meeting was scheduled to take place in July.

Summary of actions

- 1. Action: Officials to circulate minutes of January's meeting to the group**
- 2. Action: BAGE members to forward any research documents focusing on protected characteristics in Wales to the Fairer Futures Mailbox: FairerFuturesMailbox@wales.gsi.gov.uk**
- 3. Action: Officials to provide BAGE members with information on the Finance Minister's Budget Events**
- 4. Action: Officials to circulate information on the Future Generations Bill and National Conversation.**

Budget Advisory Group for Equality
Thursday 24 July 2014
2nd Floor Conference Room, Ty Hywel, Cardiff
10.00 – 12.00

Attendees

Alan Blighe	Knowledge & Analytical Services, Welsh Government
Caroline Joll	Cardiff University Business School
Ceri Cryer	AGE Cymru
Helen Wilkinson	WCVA
James Burgess	Child Poverty Unit, Welsh Government
Jo Salway	Welsh Government
Jonathan Price	Chief Economist, Welsh Government
Lizz Roe	WEN Wales
Matthew Pizii	Welsh Government
Paula Walters	NHS Centre for Equality and Human Rights
Rhian Davies	Disability Wales
Rhiannydd Williams	TUC
Richard Self	Welsh Local Government Association
Wayne Vincent	Equality and Human Rights Commission
Taha Idris	Race Equality First
Sharon West	Fairer Futures Division, Welsh Government
Secretariat	
Isabel Mortimer	Fairer Futures Division, Welsh Government
Apologies	
Aliya Mohammed	Race Equality First
Andrew White	Stonewall
Kate Bennett	EHRC

BAGE Pre-meeting 10:00am

1 Welcome and Introductions

- 1.1 Sharon West welcomed the group and thanked them for their attendance at the Budget Advisory Group on Equality (BAGE) meeting. Sharon invited the group to introduce themselves to the other members.

2 Matters Arising – Action Points

- 2.1 The minutes of the previous meeting (2 April 2014) were agreed. Sharon provided an update on the actions. Members were asked to continue to forward any research documents focusing on the protected characteristics to Fairer Futures (the FairerFuturesMailbox@wales.gsi.gov.uk)

- 2.2 Caroline Joll said that she hadn't seen the information on the Future Generations Bill. Sharon said that a link to the National Conversation website would be sent to Caroline.

Action: Officials to send the National Conversation web link to Caroline Joll

3 Wales Infrastructure Investment Plan (WIIP and Capital Investment Workshop)

- 3.1 Matthew Pizii delivered a presentation to the group, providing an overview of the WIIP, why and how it was created and how the WIIP was helping to improve equality considerations.
- 3.2 Matthew explained that the WIIP was an enabling policy, which supports cross sectoral delivery objectives, boosting investment in key areas, improving the provision and accessibility of services through both social and economic infrastructure. He also noted that in addition the WIIP supports the wider integration of strategic policy objectives aimed at promoting best practice, maximising community benefits and promoting equality across government capital investments. These programmes and projects helped to deliver the equalities agenda and were intrinsically linked to the Tackling Poverty agenda.
- 3.3 Matthew gave examples of this: Housing, where £20 million had been allocated to help mitigate the effects of the UK Government's welfare benefit changes and build 357 smaller, affordable homes across Wales. The funding would help Registered Social Landlords focus on building more one and two bedroom properties which would enable some tenants affected by the "bedroom tax" to downsize.
- 3.4 Another example was the collaboration with all 22 Welsh local authorities to extend the Local Government Borrowing Initiative (LGBI) to the 21st Century Schools Programme. Having already raised £170m of additional investment to improve highways in Wales, the LGBI was now being used to inject around £170m of investment into the 21st Century Schools Programme to ensure that it delivered by 2018-19, two years sooner than planned.
- 3.5 This will help deliver improved educational facilities across Wales including schemes such as the Penarth Learning Community – a £47.6m scheme, supported by £33.3m of Welsh Government funding, to fund a learning community, which included a mainstream comprehensive school co-located with a school providing education and care for pupils with a wide spectrum of learning needs. A central theme of this scheme has been ensuring that the local community access to the new specialist facilities. The project had already created work for 105 previously unemployed people, as well as apprenticeship and training opportunities.
- 3.6 A further example was the boosting of capital investment in Health by almost £144m. This investment supported implementation of Together for Health, the WG vision of world class health services in Wales that could be delivered on a long-term sustainable basis.

- 3.7 As part of this further investment in NHS infrastructure, WG has supported schemes including replacement ambulance vehicles and high technology assets through the £25m Health Technologies fund and with an additional £4.5m allocated for tele-health. These investments would help to ensure that across Wales, all citizens would have access to vital health care.
- 3.8 Work has been undertaken to integrate Welsh Government Community Benefits policy into the Wales Infrastructure Investment Plan and all associated investments, to ensure an optimised approach to public procurement in Wales. Through this approach, the Welsh Government was providing opportunities for the people and businesses of Wales to benefit from major infrastructure investments.
- 3.9 To date the first 35 projects worth £466m show that 85% has been re-invested in Wales - £124 million directly on salaries to Welsh citizens, and £277 million with Wales-based businesses, 80% of which were Welsh SMEs. Some 562 disadvantaged people were helped into employment or training, with 15,064 weeks of training being provided.
- 3.10 These results also provided clear evidence that maximum benefit was derived from holistic application of the policy at a strategic level and not just through focusing on discreet elements such as targeted recruitment and training.
- 3.11 Matthew posed three questions to BAGE members;
- At a strategic level, is there more we can we do to utilise our Pipeline approach to support equality and tackling poverty considerations?
 - At what level does an Equalities Impact Assessment (EIA) have the greatest impact?
 - How can we meaningfully address equality issues when prioritising our major infrastructure investment?
- 3.12 Kicking off the discussion Sharon stressed that the purpose of the EIA wasn't only to mitigate against negative impacts but could also be very valuable as an early opportunity to make the most of positive impacts; for example under the 21st Century Schools programme an EIA could help provide an opportunity to consider how the school estate could be made more accessible.
- 3.13 Paula Walters advised that she sits on the Disability Advisory Group and they had previously had a presentation from WG Planning Department on TAN guidance and the Access Statement. It seemed to her that developers did the bare minimum to meet existing regulations, whereas the WIIP was more of a lever, with more teeth to go further as regards accessibility. If the WIIP wasn't used as a lever in this way it was a missed opportunity.
- 3.14 Rhian Davies described the current situation in Aberystwyth, where the new bus station was not only inaccessible but dangerous. The risk of legal action and the need to put things right would be costly, and had come about because developers had failed to engage with local disabled people to understand their needs. She said that WG had to set the tone, and ensure that 21st century Wales was inclusive of all citizens.

- 3.15 Richard Self raised the reconfiguration of health services and said that transport was a huge issue. He agreed with Rhian that engagement was important to make the transport system more efficient.
- 3.16 Caroline Joll said that business cases weren't new and had been around for some time so questioned what was different with the WIIP approach. Jo Salway acknowledged that business cases were best practice and explained that this approach was about aiming for a consistent approach across WG, and prompted departments to think differently because capital funding was becoming a scarce commodity. There were pockets of good practice like Transport, and Matthew noted that the assessment of business cases fed back to departments where they needed to improve the business case.
- 3.17 Wayne Vincent asked how the WIIP aligned with other policies. Wayne asked if the business cases focus on benefits for people with protected characteristics. Did the current business case approach provided enough information to look at benefits through the lens of protected characteristics?
- 3.18 Matthew said that this was still a developing process and engagement with the BAGE would provide better understanding. Jo Salway agreed and asked for views on how WG could improve its approach, while balancing competing requirements. BAGE help, knowledge and experience was being sought regarding evidence and what WG should be doing to improve departmental awareness.
- 3.19 Helen Wilkinson suggested that the WIIP could consider embedding the cross cutting approach used by WEFO. She suggested engaging with Chriss O'Connell to learn from work on cross-cutting themes. When asked what in particular was good about the WEFO work, she welcomed the inclusion of Tackling Poverty and social inclusion as part of the strategic fit for programmes. WEFO was taking the learning of the first wave into the second wave of funding.
- 3.20 Paula reflected that where the EIA was separate to the business case then it would be seen as governance and assurance, as something that was required to get through the system. The EIA should be built into the narrative of projects, putting equality and inclusion considerations into value for money and framed differently to show that positive aspects are far stronger.
- 3.21 Wayne commented that WEFO had demonstrated that information was available on impacts on protected characteristics, there were still gaps, but by looking at anticipated outcomes they could monitor these and then look at the cumulative impact. He mentioned that EHRC had published "Making Fair Financial Decisions" and this could aid impact modelling.

Action: Officials to circulate "Making Fair Financial Decisions"

- 3.22 Tahir Idris raised the point that business cases and EIAs had to be integrated and that the business case had to evidence what was on the ground. He said that the example of the poorly designed bus station could also be seen at railway stations. He thought that a business case needed to bring in evidence of local needs. To this, Jo said that it should be good practice to know your evidence base and who the project was designed for. Paula was

also in agreement that with significant amounts of investment thought had to be given about who it was aimed at, who should be involved in the process, what jobs could be created, and how these could be made sustainable.

- 3.23 Rhian commented that no matter how good a business case was, during the building stage compromises were made and there were currently no sanctions for not delivering on access and equality needs; there should be penalties. Jo replied that it would be useful if members could say what from their experiences worked and were successful. Richard commented that it was important to be clear about what was trying to be achieved and who it was intended for. Caroline agreed with this, that it was about maximising the benefits, knowing the value and benefits for people.

BAGE Ministerial Meeting – 10.00am

4 Ministerial Welcome and Introductions

- 4.1 The Minister for Communities and Tackling Poverty and the Minister for Finance joined the meeting.
- 4.2 The Minister for Finance hoped that the group had had an interesting workshop and stated that the WIIP was very important in terms of investment and priorities.
- 4.3 She then updated the group about the recent Budget Tour, saying that it was an extremely valuable exercise and successful in terms of bringing together front-line staff across local authorities, the health service and the third sector. In Swansea she had met front-line staff from libraries and leisure centres through to GPs, and they all had clear ideas about what they thought should influence the budget. A report on the tour would be forthcoming.
- 4.4 The Minister advised that the Nuffield Trust Report on Health had been published and we were working on the implication for future budgets.
- 4.5 On preparations for the Budget, the Minister said that work was under way and this year the Budget would be published a week earlier than usual, on 30 September. This was due to the Assembly wanting a longer period for scrutiny. It was not without challenge but everyone was geared up to deliver it. The underlying message was a 10% reduction in real terms on the 2010-11 Budget. It would be very challenging, because of more pressures and higher levels of demand together with UK Government requirements on pensions where there WG would have to bear additional costs of £70 million over two years. She talked about uncertainty regarding the economic situation that would be a key feature of the fiscal position of the UK Government now and post UK Election.
- 4.6 The Minister emphasised the importance of BAGE, and their help looking at high level principles, outcomes and at justifying priorities. The integrated approach being taken to the impact assessment of the Budget was really important and, in essence, was really looking at the sustainability of decisions.

- 4.7 The Minister for Communities and Tackling Poverty (CTP) also welcomed BAGE members adding that there were three substantive items for discussion during this session of the meeting; Sharon would provide an update of the approach being taken to the Integrated Impact Assessment of the Draft Budget, Alan Blighe would talk about the evidence sources for it, and finally Matthew would feedback on the WIIP workshop.
- 4.8 The Minister advised the group on the progress of the Future Generations Bill, now renamed the Wellbeing of Future Generations (Wales) (WFGW) Bill. It had been presented to the Assembly and begun its formal processes, on time. Next term there would be scrutiny sessions, leading to possible amendments in the New Year. The aim was for Royal assent to be granted next spring and the duties would come into force the following year.
- 4.9 This was a very significant Bill, the first of its kind in the UK and Europe, its function being to embed sustainable development (SD) at the heart of all Wales' public services. It would also put local service boards (LSBs) on a statutory basis. Public services subject to the duty would be required to show how they are addressing the goals. He said that Peter Davies, the Commissioner for Sustainable Futures would be continuing the National Conversation.

5 Impact Assessment: Approach to the Draft Budget 2015-16

- 5.1 The Minister asked Sharon to provide an update on the approach being taken for this year.
- 5.2 Sharon said that The BAGE's reflections of last year's EIA of the Budget that it was too long and needed better focus had been taken on board. WG was aiming for a shorter document focussed on key strategic decisions highlighting positive and negative impacts; there would also be signposting to parts of the budget to allow better navigation. The commission had been sent out in June and Departments had been provided with a template for consistency.
- 5.3 The main changes to this year's Impact Assessment would be that it will be an integrated assessment. It would continue to have information on the protected characteristics, but would incorporate, and be supplemented by, the other impact assessments; children's rights, Welsh language, tackling poverty and social disadvantage and sustainable development. There would be an upfront chapter explaining the themes of the Budget and Departments had been asked to provide a stand alone portfolio chapter setting out their 4/5 key decisions.
- 5.4 A workshop had been held the previous week for those providing contributions to work through an example and ensure a shared understanding of the approach.
- 5.5 The Minister for Finance added that Ministers would be scrutinised on their decisions, and that the IIA was integrated, which meant that all aspects would be considered and none took precedence, to which Jo commented that the

Environment Committee had previously expressed its views that there should be a separate SD impact assessment. It was important that the BAGE endorsed the approach that the Government was taking.

- 5.6 Paula added that the integration was the way forward and that compromises would need to be made but following the WFGW Bill co-production and integration would be a key feature and be unavoidable, the environment was part of the WFGW Bill package. It was not possible to use the impact assessment process to ensure that the impact was positive or neutral in areas, there would be conflicts between the different areas which therefore required an integrated approach. Rhian commented that disabled people and environmentalists often clashed over personal transport. Discussions had to be undertaken with environmentalists because it was important for an integrated approach and not about the loudest or strongest voice.
- 5.7 Caroline Joll asked about the timing of the BAGE and indicated that there would be no further opportunity to look at the new style of the IIA, to which Sharon said that as it was so interwoven with the Budget decisions it couldn't be shared ahead of publication. The Minister for Finance suggested a BAGE meeting during the scrutiny period would be valuable.

Action: Officials to organise the next BAGE meeting for during the scrutiny period.

6 Impact Assessment - Evidence

- 6.1 The Minister CTP introduced Alan to the group. Alan advised that he would be leading on two reports which would gather known evidence on existing data, inform the evidence on which the Draft Budget could be based and support WG staff to undertake their own EIAs. The first report would be an analytical look at the evidence for the budget, the second looking at cumulative impacts.
- 6.2 This would be the first attempt to pull together reliable and trustworthy sources such as the census, which admittedly was getting old, and the Welsh National Survey. There were gaps, but these would be addressed in future reports, and also any anecdotal evidence would be highlighted. Alan asked that members kept in mind that the reports would be useable but high level and brief, about 80 pages in total each. It would be structured so that staff and the public could easily find what they needed. Evidence would be categorised, there were gaps but Alan would be grateful for any evidence members had to supplement this. Members were asked if they had any questions.
- 6.3 Tahir commented that in terms of equality there was a lot of evidence on protected characteristics in academic research, and highlighted that the 2011 Census was out of date. He thought that qualitative data would be a better option to use. Alan said that due to constraints, mostly quantitative data was used, but there would be a move to qualitative. Wayne advised that "How Fair is Wales" would be updated next year.

- 6.4 James Burgess welcomed the evidence report as a useful piece of work for policy makers who needed robust evidence and it was a positive step to make future EIAs easier. Caroline agreed, and said that the second report would be a quantified assessment and acknowledged that it wasn't an easy job. Richard raised the point that there was a need to look at causes and potential actions. Rhianydd added that much of the evidence that the TUC used was anecdotal or perceptive, but sometimes that was just as significant. She asked if any thought had been given to how this could play a part in the future. Alan said that this was very similar to the qualitative question, and at this stage there was no scope to find novel information, and the tight timescale meant that only published documents could be included.
- 6.5 In closing this item, the Minister for Finance advised the group that Ministers had met with Michael Marmot whose work had supported the WG approach. She said it was important to look at this kind of important and established data.

7 WIIP workshop – Feedback to Ministers

- 7.1 Matthew gave an overview of the workshop and discussions; he summarised the main points made, being:
- Making the most of identified positive impacts was important
 - Use best practice examples such as WEFO's approach to cross cutting themes to make policy integration more than a tick box exercise.
 - Look at business cases and where the EIA would have greatest influence / best fit, and consider engagement at this point
 - VfM should include identification of who benefits
 - Engagement and clarity of investment objectives was key
 - Long term sustainability of investments was important
 - Cumulative impacts of investment should be considered
 - Monitoring and reporting throughout is essential.
- 7.2 The Minister CTP said that the WIIP tallied with the provisions of the WFGW Bill, looking at the long term benefits for the people of Wales, and was a good model on how we spend our money.
- 7.3 Group members highlighted aspects of the previous discussion, including issues with bus stations due to lack of engagement and how the WIIP could be a powerful lever for change.
- 7.4 The Minister for Finance provided an update on her engagement the previous day to launch revised guidance on community benefits and the huge impacts they were having, not only socio-economic like apprenticeships and supply chains, but how children were being involved in the construction of a new school, and being ambassadors for new buildings and design elements.
- 7.5 Matthew thanked the BAGE members and said that discussions had been most helpful, reiterating the main points of the discussion.

8 Date of next meeting and suggested future themes

8.1 In closing the meeting the Minister CTP reminded the group that the next meeting had been agreed to take place in late October during the Budget scrutiny period.

8.2 Items to be discussed would be:

- Budget update
- IIA budget feedback on evidence docs
- Scrutiny of WFGW Bill
- EHRC report on budget
- Feedback on review of Bage

8.3 Also suggested for future meetings was to look at EU funding and learning from the WEFO experience.

Summary of actions

- 1. Action: Officials to send the National Conversation web link to Caroline Joll**
- 2. Action: Officials to circulate “Making fair financial decisions”**
- 3. Action: Officials to organise the next BAGE meeting for during the Budget scrutiny period**

Fairer Futures Division

Budget Advisory Group for Equality
Thursday 23 October 2014
2nd Floor Conference Room, Ty Hywel, Cardiff
15.00 – 17.00

Attendees

Alan Blighe	Knowledge & Analytical Services, Welsh Government (social researcher)
Amelia John	Fairer Futures Division, Welsh Government
Andrew White	Stonewall
Caroline Joll	Cardiff University Business School (economic adviser)
Ceri Cryer	AGE Cymru
David Phillips	Wales Race Forum/ SEWREC
Helen Wilkinson	WCVA
James Burgess	Child Poverty Unit, Welsh Government
Katie Marsden	Strategic Budgeting, Welsh Government
Lizz Roe	WEN Wales
Nicola Savage	TUC
Rhian Davies	Disability Wales
Wayne Vincent	Equality and Human Rights Commission
Sharon West	Fairer Futures Division, Welsh Government
Secretariat	
Isabel Mortimer	Fairer Futures Division, Welsh Government
Apologies	
Aliya Mohammed	Race Equality First
Bev Morgan	Tackling Poverty Policy, Welsh Government
Catryn Holinger	WLGA
Kate Bennett	EHRC
Jo Salway	Welsh Government
Jonathan Price	Chief Economist, Welsh Government
Julie Cook	TUC
Paula Walters	NHS Centre for Equality and Human Rights
Rhian Croke	UNCRC Monitoring Unit
Richard Self	Welsh Local Government Association

BAGE Pre-meeting 15:00

1 Welcome and Introductions

- 1.1 Sharon West welcomed the group and thanked them for their attendance at the Budget Advisory Group on Equality (BAGE) meeting. Sharon invited the group to introduce themselves to the other members.

2 Matters Arising – Action Points

- 2.1 The minutes of the previous meeting (24 July 2014) were agreed. Sharon provided an update on the actions. Wayne Vincent advised the group of two documents of interest. The EHRC had updated *Making Fairer Financial*

Decisions and it had also published a cumulative impact assessment document, which had concluded that assessing the tax and benefit changes was easier than assessing government spending decisions as a whole.

3 Budget Update

- 3.1 Katie Marsden provided an update of the Draft Budget 2015-16. This had been published online and was for 2015-16 only as this was the last year for which we had a firm settlement from the UK Government and budgets beyond 2015-16 would not be known until the next UK Government Spending Review (SR), due sometime after the May 2015 general election. It was suggested it would be useful to have a workshop session on the SR.
- 3.2 Katie explained the constraints during this budget exercise with rising demands and pressures, especially regarding the NHS and the evidence emerging from the independent report from the Nuffield Trust. She then outlined the headline allocations, and set out the protected and preventative budgets. The Draft Budget narrative remained thematic, while the Strategic Integrated Impact Assessment mainly covered reduced budgets, highlighting impacts and mitigating actions. Additional reports and leaflets were available on the Welsh Government website, should the Group wish to see them, the Children's and Young People (CYP) versions being a particular favourite with stakeholders.
- 3.3 Setting out the next steps Katie said the Draft Budget was currently going through the Committee scrutiny period, with Ministers and stakeholders providing evidence. The Finance Committee would publish its report, including findings from all Scrutiny Committees on 11 November. The Draft Budget debate was scheduled for 18 November, with the Final Budget being published on 2 December and debated on 9 December.
- 3.4 Group members had no substantive comments.

4 Strategic Integrated Impact of the Draft Budget (SIIA)

- 4.1 Sharon suggested that members might like to discuss the Draft Budget and the SIIA together. Outlining this year's approach, Sharon said that it was a substantially smaller document, more focused and strategic. Departmental contributions had been collated into the longer working document and boiled down and summarised into the SIIA. The working document had taken on board most of the suggestions made by BAGE to improve the look and contained a small number of graphs and tables. She hoped that this had been translated into a sharper and focused SIIA. She asked for thoughts.
- 4.2 Further clarification was sought on the evidence document, to which Alan Blighe confirmed the document as one policy makers should use in the future. Some of the information had been used as part of the SIIA, and also the SIIA exercise had also identified new sources of information, research and data which had been added into the document. This meant the document provided a good new baseline for evidence.

- 4.3 It was thought the evidence document (the Review of the evidence of inequalities in Wales) was very helpful when read together with the SIIA. Sharon explained the evidence document and SIIA were intended to be read together. It provided the opportunity to reflect on the impacts on protected characteristics based on available data. It was suggested perhaps the SIIA had been over summarised.
- 4.4 Reading both in isolation, the impacts on protected characteristics wouldn't be apparent. Nicola Savage observed the advantages of having the facts and figures in one document, which going forward, would be immensely helpful. She said usually, too much information was given in the impact assessment. She added that the level of detail in this year's SIIA was about right as it provided readers with clarity and direction for example, what was happening in mental health. It. She thought them good user-friendly documents.

15:30 Amelia John joined the meeting as Chair.

- 4.5 Amelia said that BAGE had been keen for the document to be more accessible, so could the members suggest how to find the balance between being strategic and having the level of detail on evidence required. It was thought there was not a need for additional narrative and highlighted a good example of what was particularly liked. The Communities and Tackling Poverty (CTP) chapter provided a more statistical base and offered areas of data. More information on who would benefit was however needed and it was agreed as being an opportunity to look through the lens of protected characteristics.
- 4.6 Caroline Joll said that the main benefit of the SIIA was its length and reader-friendliness. She didn't find it substantially different from last year's in its content and thought there still room to move it forward. It was still compartmentalised by department and didn't pull together the cumulative impacts on protected characteristics across them. She suggested tables might have helped provide brevity and focus.
- 4.7 Amelia noted the appetite for cumulative impacts in future Budget impact assessments, however, the EHRC report *Making Fair Funding Decisions* acknowledged the difficulty in doing so, and that it would be a huge challenge. She suggested that collaboration with BAGE, might achieve it retrospectively, and this had the potential to inform the next Draft Budget.
- 4.8 Stating the tight time constraints as the main factor, Katie confirmed the difficulty in publishing a cumulative impact report with the Draft Budget. Wayne reflected that a retrospective analysis in the New Year would be good, referring to the SR. Information would be more accessible post Budget and such a report would do justice to the work Welsh Government was doing. Katie suggested returning to a thematic approach across Ministerial portfolios within a cumulative report. However, as the move had been to produce an integrated impact assessment it had to look at impacts for the children's rights, socio-economic disadvantage and the Welsh language. It also needed to be based on outcomes, added Caroline.

- 4.9 It was agreed to explore this in more detail at a workshop in January. It would cover the role of BAGE and their thoughts on impacts.

Action: Officials to develop the workshop outline and objectives for the next BAGE meeting (19 January 2015).

5 Review of Evidence

- 5.1 This had largely been covered in the discussion on the previous item. Alan set out the current situation, and reported the exercise had gone reasonably well. Systems were now in place, meaning it should be an easier exercise next year, having only to revisit the evidence base, update and add any new data.
- 5.2 It would have been useful to have qualitative data, which would have helped tease out issues. However, the resources to do this hadn't been available. Alan also acknowledged the gaps still needing to be plugged, especially on transgender. Work on this area had been started to supplement the existing data and add to it. Problems with gathering evidence in the future might also be further compounded by a number of surveys not running in 2015-16. These include: the National Survey for Wales, Welsh Health Survey and surveys by Arts Council Wales, Sports Wales, and Natural Resources Wales. These would be integrated into a larger survey to run in 2016-17. This would be consulted on, and members were urged to participate and respond regarding what should be included in the expanded survey. He reiterated previous requests for group members to forward any available data to him to add to the evidence base.

Action: Officials to circulate details of the survey consultation when they become available and provide an oral update at the January meeting.

- 5.3 The Review of Evidence document had been published on the Equality Unit webpages. However, it was decided as more appropriate and more easily accessible for it to be moved to the Statistics and Research pages.
- 5.4 Andrew White praised the document for what it had achieved. He did, however, feel it needed to be clearer on where the gaps in evidence existed. He suggested adding a paragraph would make this explicit for Welsh Government staff and stakeholders alike.

6 Review of BAGE

- 6.1 This item had been suggested at the last meeting in July, and was now very timely as the Communities, Equality and Local Government (CELG) Committee had shown a large degree of interest in the group at its Draft Budget scrutiny meeting on 9 October. Amelia, who had attended the evidence session with the Minister CTP and the Minister for Finance and Government Business (FGB), asked if members had seen the session or the transcript and asked for initial thoughts.

- 6.2 Helen Wilkinson asked if the meeting in January could have a brief discussion to feedback on CELG scrutiny session which would help focus discussions on BAGE's remit and future work programme.

Action: Officials to circulate the transcript of the CELG Committee session on 9 October 2014.

- 6.3 Caroline suggested that January was an opportunity to look at what the group had done, how it had changed since the start and review this against the current remit. She also thought it might be useful to know what Ministers had found useful. Following this thread, Amelia said all Ministers were aware of the group, the Ministers for CTP and FGB had written to them on the role of BAGE. Now it would be useful to explore how all Ministers could tap into BAGE's expertise.

- 6.4 On the items for consideration at the next meeting, Katie restated the importance of starting work early on the SR, while James Burgess advised the group of the forthcoming consultation on the Child Poverty Strategy. Following the useful workshop in April, he had hoped to engage further with the group before the consultation closed at the end of January. Amelia added into the mix the close links between the Child Poverty Strategy and Strategic Equality Plan (SEP). She hoped to explore how, during the review of the SEP, the group could contribute to ensure the two were better connected.

Action: Officials to circulate details of the Child Poverty Strategy consultation when they become available.

- 6.5 On returning to the ToR, Helen was interested in the relationship between the BAGE and the SEP Board and whether it was worth reflecting this in the ToR. She thought perhaps this was an opportunity to look at having one board, as there were apparent overlaps of work. Amelia agreed there were organisations represented on both groups, however, they had different purposes. BAGE had a specific role to advise on how equality could be embedded in the Budget, whereas the SEP Board considered delivery of the Welsh Government's SEP objectives. It would be interesting to consider how the SEP objectives could influence budget setting.

Action: Officials to circulate SEP Board ToR.

The Minister for Communities and Tackling Poverty (MCPT) joined the meeting and Amelia provided a short commentary on the pre-meeting concentrating on the CELG Committee's interest in the group. It was recognised the focus of BAGE should be to support Welsh Ministers and the programme of work was part-way down this track with presentations on topics from within the CTP and Finance portfolios. The MCTP welcomed the views of the group on the inclusion of Welsh language, as it had been considered as part of the SIIA. The group discussed the arguments on both sides for the inclusion of the language within equality considerations and speculated as it was an integrated assessment it should be included. However they also considered that expanding the remit too far to include all aspects of the SIIA could result in the remit being too unwieldy and membership too broad.

BAGE Ministerial meeting 16:00

7 Ministerial Welcome and Introductions

- 7.1 The Minister for Finance and Government Business (MFGB) joined the meeting and welcomed the Minister for Communities and Tackling Poverty (MCTP) to her first BAGE meeting. She emphasised the importance of the meeting during the scrutiny stage of the Draft Budget and understood the earlier discussions had been on the Budget, the SIIA and the evidence paper. She also hoped the group had seen the report on her Budget tour.

Action: Officials to circulate Budget Tour Report.

8 Feedback to Ministers – Draft Budget, SIIA and evidence

- 8.1 The MFGB stressed the constraints of the Draft Budget and the scale of reductions during tough financial times with a 10% cut in real terms. Setting out the headline allocations, the Minister confirmed the additional £225m for the Health Service as a response to the Nuffield Report, and an additional £10m for social services. Other key objectives were to protect school funding and early intervention programmes. It was important to tackle the link between poverty and educational attainment using all available levers. She described the Ministers' joint appearance at the CELG Committee as a challenging scrutiny. The Committee was keen to have more information on the role of BAGE, with the idea of BAGE members being invited to the Committee mooted.
- 8.2 Amelia provided both Ministers with feedback on the earlier discussions. The SIIA had been welcomed, being shorter, focused and highlighting key spending decisions. It was found to be user-friendly, and therefore, more likely to be used. However, more work was needed to move it forward in terms of projecting more strongly impacts on protected characteristics, and anchoring the evidence more firmly in the SIIA. There had been recognition of budgets being allocated by portfolio and this was reflected in the SIIA. However, a strong feature could be visually presenting the impacts across departments and society through the use of graphs and tables.
- 8.3 The MFGB requested help on the impacts on protected characteristics, as the SIIA would be a guide to the public sector in their budget allocation decisions, and any examples would be useful.
- 8.4 Lizz Roe underlined the usefulness of the three documents although, in reality, only the SIIA would be read as it was shorter. Users would pull out the headlines and evidence, and use these more.
- 8.5 In reflecting on discussions at previous meetings, Caroline asked what had happened to the proposed overview of impacts by protected characteristic which had been in the previous year's documentation. The MFGB stated that it had been attempted and Amelia advised that it had become a summary list taken from the SIIA, rather than reflecting the cumulative impact report BAGE was anticipating. The Group discussed the potential for revisiting this in the

January meeting where a cumulative report, linked to budget themes could be attempted outside the budget time constraints.

- 8.6 The MFGB suggested that the Group possibly by taking the thematic approach, looking at the Programme for Government and SEP outcomes and identifying where spend should be targeted and looking at the intended beneficiaries and impacts.
- 8.7 Since the last BAGE meeting the EHRC had re-published *Making Fair Financial Decisions*, which assessed the Treasury's 2010 Spending Review. This had acknowledged the difficulty of assessing cumulative impacts. Nevertheless, it had been an opportunity for the research community to come together. The MFGB highlighted how helpful the EHRC had been in the past, mentioning in particular the *Appreciative Inquiry*.
- 8.8 The MFGB invited comments on the Draft budget and stressed the importance for Welsh Government to engage widely on the Draft Budget particularly in difficult circumstances. During times of reducing budgets the impact assessment and the evidence were important determinants of spending decisions. She had been looking to the group to advise where things could have been done better or differently. This had been their opportunity to strengthen their voice. During the Budget Tour frontline staff had been vociferous and very clear on what they wanted.
- 8.9 Caroline said it was for Government to consider their priorities and make the decisions, as all stakeholders would say they needed more money. What was most welcomed was the establishment of the group, which showed Welsh Government's transparency on the Draft Budget. It also allowed key stakeholders to understand why decisions had been made. BAGE was seen as providing the advice and expertise to aid problem solving, allowing Welsh Government to work sharper and share data..
- 8.10 When asked to what extent others had been involved in consulting on the Draft Budget, the group was advised of the MFGB's Budget Tour, Committee scrutiny, voluntary sector meetings and the day to day meetings all Ministers had with their stakeholders as being an ideal opportunity to discuss the budget. The Finance Committee would publish its overall report reflecting Scrutiny Committee findings on 11 November, with the Draft Budget being due to be debated on 18 November.
- 8.11 The MFGB also had scheduled an engagement visit with the Minister for Education and Skills to visit a school to involve CYPs and get their School Council engaged in the budget process. Adding further to her reflections on BAGE's role in the Budget, local government would have to grapple with similar issues and she hoped they were approaching the EHRC for help and guidance. Partnership working was seen as crucial, because it was often local communities who knew how best to spend funding on local services. The Social Services and Well-being Act was a huge opportunity to engage with user-led organisations.

9 Review of BAGE

- 9.1 In establishing the BAGE the MFGB had modelled it on the Scottish Equality and Budget Advisory Group (EBAG). The Scottish Finance Minister had been very positive in describing its role and contribution in the Scottish Government's Budget process. Officials in Fairer Futures would shortly be video-conferencing with the Scottish Equality officials and would ask for an update and short oral evaluation to feedback at the January meeting.
- 9.2 Following feedback of the earlier discussions, the Ministers agreed the format for the workshop in January. This would concentrate on BAGE adding value to the SR and addressing the issue of assessing cumulative impacts. When looking at the future role of BAGE, it was important to include in any deliberations the opportunity additional powers would provide to review changes to the Budget process. The Finance Committee's report on this was drawn from international best practice, including OECD and could provide some useful pointers.

Action: Officials to circulate the Finance Committee Report

- 9.3 BAGE's role in the Budget process was vitally important in the MFGB's opinion, and she and the MCTP had written to Cabinet colleagues reminding them that equality and finance had to be at the forefront of all their considerations. She acknowledged the importance of the January workshop especially in light of the SR not being known until next year. The difficulty of drafting and presenting a Draft Budget was apparent, and much would be guesswork based on the Chancellor's statement and the pre-election spring Budget. The recent party conferences had also provided a flavour of what might be planned by the incoming Government. Austerity would continue regardless of the election result, and things would only get tougher.

10 Date of next meeting

- 10.1 Ministers would not attend the next workshop format meeting on 19 January 2015. Both Ministers thanked BAGE members for their contribution in the process, and all the work they had undertaken. The Ministers also expressed their thanks to Alan Blighe and Lucy Taylor for their work on the Evidence base.

Summary of actions

- 1 Action: Officials to develop the workshop outline and objectives for the next BAGE meeting (19 January 2015).**
- 2 Action: Officials to circulate details of the survey consultation when they become available and provide an oral update at the January meeting.**
- 3 Action: Officials to circulate the transcript of the CELG Committee session on 9 October 2014.**

- 4 Action: Officials to circulate the transcript of the CELG Committee session on 9 October 2014.**
- 5 Action: Officials to circulate details of the Child Poverty Strategy consultation when they become available.**
- 6 Action: Officials to circulate SEP Board ToR.**
- 7 Action: Officials to circulate Budget Tour Report.**
- 8 Action: Officials to circulate the Finance Committee Report**

Fairer Futures Division