

Annex B

**Y Pwyllgor Plant a Phobl Ifanc
Children and Young People Committee**

Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

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26 October 2011

Dear Jocelyn

At its meeting on 19 October, the Children and Young People Committee scrutinised the Minister for Education and Skills and Deputy Minister for Skills and the Minister for Health and Social Services and Deputy Minister for Children and Social Services on the draft budget for the two portfolios relevant to the remit of the Children and Young People's Committee.

The Committee had serious concerns about the presentation of the budget and the lack of transparency and accountability, particularly in the Health, Social Services and Children Main Expenditure Group (MEG). Members felt this compromised their ability to fulfil their role in scrutinising the Department's budget and in holding the Minister to account.

The Committee believes that budget scrutiny should be a continuous process, not a once a year event. It is therefore our intention that it will be an integral part of our work and we will be asking Ministers to return to the Committee on a regular basis to ensure that spend is achieving the required outcomes in specific policy areas.

We will be writing to the relevant Ministers setting out our more detailed concerns and these are included in an annex for your information.

Yours sincerely



**Christine Chapman AM
Committee Chair**

Children and Young People Committee

Scrutiny of draft Welsh Government budget – 19 October 2011

Minister for Education and Skills

Capital

Members felt there was a lack of strategic vision and questioned how the Welsh Government would identify where capital was to be used. Concern was raised over the delivery of the 21st Century Schools programme, with the draft budget indicating a large reduction in capital expenditure, but no indication of how the reduced budget was to be allocated. Members also questioned why the Minister was unable to advise on the capital allocation to local authorities to enable forward planning, especially as the Minister for Local Government and Communities had announced his provisional Local Government Settlement for 2012-13 on 18 October.

14-19 Learning

Members were concerned that delivering the 14-19 Learning Pathways may be challenging, with some local authorities having to restrict transportation for students in an attempt to reduce costs. Members were also concerned that this Budget Expenditure Line (BEL) was reliant on savings from elsewhere. They noted the Minister's suggestions to overcome these potential difficulties but remained concerned that the Minister was relying on partners for a considerable amount of the programme's delivery.

The Minister advised the Committee that regional working would achieve savings in a number of areas which he planned to transfer to front-line services. Members noted that these savings were dependent on the co-operation of external partners and were concerned how the savings would be delivered if these partnerships were not forthcoming.

Nursery Education

Members were unclear from the draft budget what funding was allocated to nursery education and what part nursery education played in the strategy to improve standards and achievement. As agreed, Members look forward to receiving additional information from the Minister on the implications of the draft budget for nursery education.

Minister for Health and Social Services

Transparency and Accountability

The Committee had serious concerns about the presentation of the budget and the lack of transparency and accountability. Members felt this compromised their ability to fulfil their role in scrutinising the Department's budget and in holding the Minister to account. It was particularly difficult to track funding allocations for children's services due to the lack of detail in the budget. This was compounded by the split of responsibilities between a number of delivery organisations. Furthermore, the bulk of spending on health is provided to Local Health Boards through the NHS Delivery SPA, which the Committee lacked sufficient information to scrutinise. Members were also concerned at the apparent lack of accountability at Local Health Board level, given the Minister's belief that it was inappropriate for her to intervene in local decision making. The Committee believe it is essential to enhance clarity in this area to allow for more effective monitoring and scrutiny in the future.

Members felt that the Minister was reliant upon Local Health Boards allocating expenditure appropriately to meet her policy commitments but was unable to demonstrate any clear mechanism for measuring outcomes. Members were also concerned that the Minister did not appear to have a contingency plan if Local Health Boards were unable to deliver these commitments.

The Committee welcomed the Minister's commitment to annually review ringfenced budgets but were concerned that there appeared to be no clear principles about when ringfencing was used.

Autism

The Committee expressed concern that funding for children with autism was being moved to the Adult and Older People Action budget line from the Children's Social Service budget line, as this may result in a diminished service for children and be difficult to track and monitor in the future.

Flying Start

Despite the additional allocation to Flying Start in the draft budget, Members questioned whether this would be sufficient to achieve the policy intention of doubling the amount of children being included in the programme. This appeared to be in conflict with previous information provided to the Committee. Furthermore, Members were concerned that local authorities were being asked to formulate plans for the expansion of Flying Start before the Welsh Government had published the evaluation of the effectiveness of the current programme.

CAFCASS Cymru

The Committee noted that it was anticipated that further funding would be allocated to CAFCASS Cymru in 2012-13, over that which was in the draft budget proposals, and that this would come from central funds. Members were concerned about the potential impact this would have on funding for other programmes and asked for regular updates on the programmes affected.