

Pwyllgor Cymunedau, Cydraddoldeb a  
Llywodraeth Leol

Communities, Equality and Local Government  
Committee

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

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff  
CF99 1NA

26 October 2011

Dear Jocelyn

As part of the scrutiny process for the draft budget for 2012-13, the Committee invited a number of Ministers to be scrutinised on the budget proposals which relate to the Committee's remit.

The Committee scrutinised Ministers over two sessions:

- 13 October

Minister with responsibility for Equalities; and  
Minister with responsibility for Housing and Heritage.

- 19 October

Minister with responsibility for Local Government;  
Minister with responsibility for the Welsh Language; and  
Minister with responsibility for Tourism.

This letter outlines our comments which may inform your overarching strategic scrutiny of the Draft Budget.

## **General Issues**

The Committee noted that there was a lack of targets in the evidence provided by Ministers. We are concerned that the absence of targets will make it difficult for the Government to determine whether or not funding allocations are being used effectively and, in addition, makes it difficult for the Assembly to scrutinise the effectiveness of the budget. Related to this, no evidence was provided to the Committee on the role of the Welsh Government's Delivery Unit in monitoring the effectiveness of budget allocations to specific policy areas.

## **Scrutiny of Ministerial Portfolios**

### ***Minister with responsibility for Equalities***

The Minister informed the Committee that Welsh Government Departments had undertaken screening in order to assess potential equality impacts of draft budget proposals. While the Committee acknowledges the importance of screening policies once they have been developed, we did not hear evidence that equality issues were borne in mind during that process. The Committee feels that, if equality issues are to be mainstreamed, they should form a central part of policy development.

The Committee noted that a detailed equality impact assessment (EIA) was undertaken in 2010. However, the same work had not been undertaken for this year's budget. The Committee feels that, given that new equality legislation has been introduced in the past year (including the Equality Act 2010 and the specific equality duties for Wales), and the reductions in budget allocations, it would be appropriate to undertake a new EIA.

The Equality and Human Rights Commission recommend that a robust EIA should include: the purpose of the decision; evidence of engagement with stakeholders; the identification of any positive and negative impacts; plans to alleviate any negative impacts; and plans to monitor the actual impact of the proposals. While we accept that it might be difficult to apply these principles to decisions taken in relation to budget allocations, the Welsh Government should aspire to delivering such an EIA. In particular, the Committee was concerned at the lack of evidence of plans to monitor the impact of the budget proposals.

### ***Minister with responsibility for Housing and Heritage***

The Committee noted that the budgets for these portfolio areas have been reduced. Given these reductions, we were concerned that we did not hear evidence of targets or plans for monitoring the effectiveness of budget allocations. In times where budgets are being squeezed, we feel that it is vital to have procedures in place to monitor the effectiveness of policy and funding.

### ***Minister with responsibility for Local Government***

The Committee noted that efforts to resolve equal pay claims and to introduce fair pay and grading structures were continuing. During discussions, the Minister undertook to write to the Committee to explain whether or not it would be possible to bring forward legislation to assist local authorities in reaching settlements, and also to provide information on how the additional £54 million of Welsh Government funding allocated to address this issue had been spent by local authorities. The Committee feels that the issue of equal pay is important and will keep the matter under review.

The Committee noted that reductions in funding could mean that local authorities will need to look to the voluntary sector to provide services. The Committee is concerned that this will place an additional burden on the voluntary sector when budgets in the sector are also being cut. We will keep this under review.

### ***Minister with responsibility for the Welsh Language***

The Committee noted that the Welsh language was not included in the Welsh Government's Equality Impact Assessment. The Minister informed the Committee that he would write to the Minister for Equalities on this issue, and would write to other Welsh Ministers in relation to the equality of Welsh and English languages in communications between the Government and the Welsh public.

The Committee noted that the distribution of funding between the Government's Welsh Language Unit and the Welsh Language Commissioner had not been finalised, although amounts had been allocated in the budget. We intend to look at this allocation in future to ensure that it is appropriate.

### ***Minister with responsibility for Tourism***

The Committee noted that the Minister for Business, Enterprise, Technology and Science is in the process of reviewing spending plans to ensure they demonstrate efficiency and effectiveness. The budget therefore reflects current expenditure plans in her Department but these may be subject to change in the short to medium term. We feel that, in these circumstances, it is difficult to consider the budget thoroughly and we will return to this in due course once the spending plans are finalised.

I trust you will find our comments helpful with your future budget scrutiny.

Yours sincerely



**Ann Jones AC / AM**

Cadeirydd / Chair  
Communities, Equality and Local Government Committee

DRAFT