



Ein cyf/Our ref

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

5 February 2015

Dear Christine

Thank you for your letter of 27 January 2015 following my attendance at the Committee in relation to the Welsh Government's Draft Budget proposals for 2016-17.

As you note, the role of the Strategic Integrated Impact Assessment (SIIA) is to undertake an integrated assessment of the impacts of high level spending decisions of the Welsh Government and, as such, does not include in-depth impact assessments relating to individual Ministerial portfolios. This is in line with the two-stage budget process which the Finance Committee's Inquiry into Best Practice Budget Procedures has recommended, and also responds to feedback from the Budget Advisory Group for Equality (BAGE).

Each Local Authority is accountable to its electorate for the decisions it makes. Whether it is deemed that individual Local Authorities have met their statutory obligations to undertake impact assessments on protected characteristics will be a matter for the relevant statutory body, such as the Older People's Commissioner. Similarly the Wales Audit Office may reflect on cumulative impact through its responsibility to assess capacity and capability to deliver continuous improvement.

It is also important to recognise that Local Authorities will not have decided how their budgets will be allocated or carried out their impact assessments until after the Draft Budget has been agreed. Therefore in a time of reducing budgets, any benefits of collecting and assessing information across all authorities must be balanced against the required resources, and the benefits to decision making and scrutiny of doing so. I do not currently believe this would give an additional insight into the impact of the Government's decisions.

However, this Government remains committed to assessing the impact of our spending decisions and continuously developing and improving our approach year on year. For example, as I detailed to you in my letter of the 19 October 2015, we have asked the Public Policy Institute for Wales to look at how the Welsh Government might improve its use of impact assessments going forward.

In relation to tackling poverty, the First Minister has made it consistently clear that tackling poverty is a key Welsh Government commitment. Through the decisions that we have made in the Draft Budget we have focused resources on priorities based on an assessment of greatest positive impact. From the outset this has involved considerations of poverty through working with tackling poverty policy leads and making use of available evidence and evaluation.

For example, international evidence identifies that early childhood experiences are crucially important for long-term development and achievements in later life, thereby contributing to breaking the cycle of poverty. We have therefore continued to invest in early years through protecting the Flying Start budget, providing additional funding for the Pupil Deprivation Grant and continuing our commitment to protect funding for free school breakfasts, free school milk and free swimming.

I welcome your recognition of the Results Based Accountability (RBA) approach. RBA influenced the Welsh Government's thinking in relation to the Well-being of Future Generations Act. In turn our decisions in the Draft Budget are rooted in the aims and principles of the Act, reflecting our commitment to its full and successful implementation. This has enabled us to plan effectively in the absence of early certainty about our budget settlement and helped us to publish our budget within two weeks of the UK Spending Review outcome while considering impacts on protected groups.

In protecting funding for Communities First we recognised that this programme makes an important contribution to deliver improvements in health, education and economic outcomes within the 10 per cent most deprived areas in Wales with the long term aim of contributing to alleviating persistent poverty. Additionally, this programme's outcomes framework is based on RBA, which helps provide a clearer picture of delivery in relation to Tackling Poverty.

The latest independent evaluation of Communities First identified that the programme's redesign to improve its ability to meet its objectives and deliver outcomes for people has improved its capacity to do just that. We have recognised that, of course, challenges remain, but through protecting Communities First funding we can continue to work to improve monitoring and performance management to ensure this major investment is really driving home better outcomes for people in our most deprived communities.

Finally, please be aware that minutes for the BAGE's last three meetings are now available:

<http://gov.wales/topics/people-and-communities/equality-diversity/budget-advisory-group-for-equality/>

Yours sincerely,



**Jane Hutt AC / AM**

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