

## Communities, Equality and Local Government Committee

### CELG(4)-28-13 Paper 1

**Date:** 24 October 2013

**Title:** Evidence paper –Communities Draft Budget Allocations for 2014-15.

#### 1. Introduction

This paper provides comments and information to the Committee regarding the Communities future programme budget proposals outlined within the Draft Budget which was laid on 8 October 2013.

#### 2. Background

Compared to the indicative plans published at Final Budget 2013-14, as restated following the reshuffle in March 2013, the total DEL allocation for the Communities and Tackling Poverty (CTP) MEG has increased by £0.4m in 2014-15 to £212.7m

There is a net decrease in Resource DEL of £3.6m in 2014-15 to £192.2m. The indicative plan for 2015-16 Resource DEL, which is published for the first time is £191.5m.

There is a net increase to the capital budget of £4m in 2014-15 to £20.5m, following an allocation to support the priorities in the Wales Infrastructure Investment Plan to fund flying Start settings. The indicative plan for 2015-16 Capital DEL, which is published for the first time is £14.5m.

The following summary financial tables show the overall effect on the CTP Departmental Expenditure Limit (DEL) baseline budget.

#### Summary Financial Tables:

<b>CTP MEG</b>	2013-14 Supp. Budget  £000	2014-15 Indicative Plans Restated Final Budget £000	2014-15 Changes  £000	2014-15 New Plans Draft Budget  £000	2015-16 New Plans Draft Budget  £000
Resource DEL	187,556	195,871	-3,625	192,246	191,534
Capital DEL	24,450	16,450	4,000	20,450	14,450
DEL Baseline	212,006	212,321	375	212,696	205,984

Within the CTP MEG, the specific elements for Communities are summarised in the table below.

<b>Supporting Communities and People</b>	2013-14 Supp. Budget  £000	2014-15 Indicative Plans Restated Final Budget £000	2014-15 Changes  £000	2014-15 New Plans Draft Budget £000	2015-16 New Plans Draft Budget £000
Resource DEL	67,097	65,712	-1,700	64,012	61,500
Capital DEL	10,950	10,950	0	10,950	10,950
DEL Baseline	78,047	76,662	-1,700	74,962	72,450

### **3. Budget Overview**

The overarching aim of the Communities and Tackling Poverty Department is to unite the work of the Welsh Government and its partners in tackling poverty and achieving a fairer future for communities, families and individuals, within the context of sustainable development.

The Department has a number of specific priorities which reflect and support the delivery of the Programme for Government, many of which have a direct impact on Communities:

- tackling poverty and promoting community resilience including Communities First;
- mitigating the impact of welfare reform;
- increasing financial and digital inclusion, including Discretionary Assistance Fund and Credit Unions;
- supporting families and children, in particular through Flying Start and Families First;
- supporting the development of the Third Sector and enhancing its strategic relationship with Government;
- promoting equality and inclusion;
- The development of the Future Generations Bill, the purpose of which is to help future-proof communities across Wales.

### **4. Programme for Government**

#### Tackling Poverty Action Plan

The **Tackling Poverty Action Plan** 'Building Resilient Communities' sets out how Ministers will target resources across departments to prevent poverty and alleviate its impact on people's lives, while also helping people into work which is

crucial to helping people out of poverty. We are focussing our efforts on where we can make the biggest difference and this includes:

- creating 5,000 training and employment opportunities for households where there is no-one in work;
- improving the educational attainment of children from low income families; and
- reducing the number of young people who are not earning or learning.

This Action Plan is a clear commitment, right across the Welsh Government, that we will use our resources to help those currently most in need and prevent future generations experiencing poverty. The Plan does not have a separate budget line as it will be taken forward across Government, with resources and programmes refocused to ensure the ambitious targets are met.

We have committed to report annually on the progress of the targets and milestones within the plan and a Implementation Board chaired by the Deputy Minister has been established to monitor progress.

### Communities First

The **Communities First** (CF) Programme has been substantially remodelled in the past two years to become a Community Focused Tackling Poverty Programme with a consistent remit to support the most disadvantaged people in the most deprived areas of Wales.

52 CF Clusters have been established, which between them include all of the 10% most deprived geographic areas according to the Welsh Index of Multiple Deprivation 2011. Over £75m has been awarded from the Communities First programme to these Clusters for the period to March 2015.

Consistent with the themes of growth and jobs; educational attainment; and supporting children, families and deprived communities, the CF programme is structured around three outcomes: prosperous communities; learning communities; and healthy communities. Each cluster has produced a delivery plan which sets out the actions that will be taken in support of these outcomes, together with the ways in which the success of those actions will be measured.

The CF budget is supporting a range of key "programme bending" actions. Programme bending provides additional resources, including funding and staff to deliver key priorities from across Welsh Government departments and partner agencies. These jointly funded programmes include: work with schools through the Pupil Deprivation Grant to improve the educational attainment of children in CF areas; Health Services to deliver Over-50s Health Checks; Jobcentre Plus to make employment advice more accessible; and Jobs Growth Wales to create new job opportunities for young people. In total, just under £4m will be available to support these actions in 2014-15.

### Financial Inclusion

We will continue to support Citizen's Advice Cymru to administer the consolidated benefit take-up scheme - **Better Advice, Better Lives** (BABL), with protected funding of £2.2m in 2014-15. This is particularly important given the Welfare Reform changes as BABL encourages Benefit take-up for families with disabled children, for those living whose health is likely to be affected by poverty, and for Council Tax and Housing Benefits. In the first year of the scheme a total of 20,919 people have been supported with 55,289 issues and this generated nearly £17m in additional confirmed benefits.

### Welfare Reform

As part of the UK Government's ongoing programme of welfare reform, the discretionary Social Fund was abolished on 31 March 2013. Funding was transferred to the Welsh Government to administer a replacement scheme from 2nd April 2013 - the **Discretionary Assistance Fund**. Northgate Public Services is providing the scheme (under contract to Welsh Government) working in partnership with Family Fund and Wrexham County Borough Council. The grant fund is £10.2m per annum and offers payments, or in kind support to vulnerable people to enable or maintain independent living, and to provide urgent assistance to people where there is an identified need to safeguard health and well being. Provision has been made for evaluation of its impact in **supporting children, families and deprived communities** and in helping, through its connections to other support services, to **prevent** crisis situations recurring.

We are also extending our support programme for disabled former Remploy workers in Wales through the **Employer Support Grant (ESG)**. During 2012 the UK Government announced that a number of Remploy factories were to close under 'Phase 1' of their plans. In response, the Welsh Government launched the ESG to help eligible displaced Remploy workers find new work. In May 2013, we announced that eligible Remploy workers affected by 'Phase 2' will also receive the same level of Welsh Government support. The latest figures (as of 30 August 2013) show the scheme has helped 117 former Remploy workers find new jobs. The scheme has now been extended so applications can be made up until March 2014. The support package will be funded with up to £2.4 million of Welsh Government funding.

### Credit Unions

Our vision for **Credit Unions** is working towards a sustainable Credit Union movement that can support financially excluded people and **prevent** problems arising from indebtedness or lack of budgeting. Credit Unions are key contributors in terms of tackling poverty and financial exclusion where it persists in our communities. As at the end of June 2013, there are 34 Credit Union offices, whilst there are a total of 256 collection points throughout Wales. Consideration will be given to what funding is made available from April 2014 onwards to support Credit Unions to achieve 6% market penetration by 2020.

### The Third Sector

Following consultation on the relationship between Welsh Government and the Third Sector in Wales in 2013, we will continue to invest in Third Sector infrastructure organisations to ensure that voluntary organisations across Wales are supported, strengthened and enabled to contribute strongly in particular to tackling poverty and helping the most disadvantaged people and **deprived communities**.

Subject to future announcements on the outcome of the consultation, we anticipate that there will be an increased focus on local support for volunteering and community organisations and a rebalancing of the roles of the key infrastructure organisations at local authority, regional and national levels to help achieve this. The Third Sector infrastructure budget of £7.3m in 2014-15 will include provision for innovation aimed at making the sector more sustainable and improving joint working with the public sector at all levels.

### Equalities

In recognition of the importance we place on equality we have protected funding at the current levels for Equality and Inclusion grant funding for the third sector. A total of up to £1.6m is committed to grant funding in 2014-15. The overall purpose of the grant is to provide targeted funding to third sector organisations to assist them in promoting equality, tackling discrimination and encouraging cohesive and inclusive communities in Wales. The grant was redeveloped following consultation in 2012-13 which has ensured that it is reflective of the current economic and social environment in Wales and that it is aligned with Programme for Government equality and inclusion priorities.

### Gypsies and Travellers

Gypsies and Travellers are amongst the poorest and most disadvantaged in our society. A key Programme for Government objective is to improve local authority owned Gypsy and Traveller sites across Wales. We offer capital funding to local authorities in Wales to refurbish existing local authority sites and towards building new sites. **Children and families** will be better off as a result of this programme because it will result in better standards of living for Gypsies and Travellers who either live in substandard accommodation on existing sites or who live on unauthorised or tolerated encampments due to the lack of site provision.

The change from 75% to 100% funding in 2011 has led to a significant improvement in the uptake of the funding. This includes an agreement to fund the first new Gypsy and Traveller site in Wales since 1997. The budget for 2014-15 has been protected at £1.5m and will make a demonstrable contribution to the delivery of the Programme for Government, in particular the commitment to advance equality of opportunity and tackle discrimination and the commitment to creating more inclusive and cohesive communities.

Improving existing living arrangements and creating new sites will have a number of benefits for Gypsy and Traveller **children and families**. Children will benefit as a result of better attendance and attainment within the education system as

education professionals are able to build stable and trusting relationships with families. Improving sites or site provision can also lead to the reduced likelihood of children having to live or play in unsafe environments. Better health will result from, for example, uptake of **preventative** healthcare, including vaccinations of children as health visitors are able to access families that they could not previously. Greater integration of Gypsies and Travellers is also likely as individuals will be able to access local facilities, building more stable relationships within their communities, thus meeting our commitment towards creating inclusive and sustainable communities.

## 5. Legislation

In the Programme for Government, the Welsh Government committed to legislate to embed sustainable development as the central organising principle of devolved public service organisations in Wales, and to establish an independent sustainable development body.

The Future Generations (Wales) Bill is being developed to future-proof our communities so that they and the people who live in them are protected from pressures that threaten their viability and survival. What we want to see is that when meeting pressing short term needs, such as mitigating the impact of economic and fiscal pressures and supporting growth and jobs, that organisations make every effort to safeguard the long term interests of the people of Wales, addressing intergenerational challenges such as health inequalities, raising skills and mitigating the impact of climate change.

We are committed to bringing forward a Bill in this Assembly term and in developing the proposals for the Bill we have engaged and consulted with a wide range of stakeholders. A Written Statement was issued on 14 October, updating Assembly Members on the Future Generations Bill.

The recently concluded consultation 'Continuity and Change – Refreshing the Relationship between the Welsh Government and the Third Sector' considered whether there is a need for legislation in this area. Analysis of the responses is underway and we will consider whether a Third Sector Compacts Bill is required.

The broad scope and reach of the Communities and Tackling Poverty portfolio means that the majority of Acts and Bills within the Legislative Programme will impact upon it. The Communities and Tackling Poverty Department engages with Bill Teams across the Welsh Government to discuss and consider those impacts. Particular items of interest include the:

- The Social Services and Well-being Bill
- The Environment Bill
- The Planning Reform Bill
- The Housing Bill
- The Mobile Homes Bill

Specifically, the Housing (Wales) Bill proposes to introduce a statutory duty upon local authorities to provide Gypsy and Traveller sites where there is unmet need. The legislation will seek to address the severe shortfall in authorised Gypsy and Traveller pitches. The duty will utilise the Gypsy and Traveller Sites Capital Grant and should not place an additional financial burden on local authorities. To achieve this aim more quickly, we are also exploring whether additional capital can be secured to coincide with implementation of the Housing Bill.

In addition to the Legislative Programme, the UK Government announced their legislative programme in the Queens Speech earlier this year. The Communities and Tackling Poverty Department has a particular interest in the content of the Immigration Bill. While predominantly non-devolved, this legislation may impact on devolved matters or matters which are the responsibility of Welsh Ministers. Where Legislative Consent Motions are required these will be introduced promptly. Discussions regarding funding implications are on-going with the UK Government as part of the wider discussions on the content of the legislation.

## **6. Capital**

The Community Facilities Capital budget line presently funds three distinct schemes with current commitments. Those are the Community Facilities and Activities Programme (CFAP), Post Office Diversification Fund (PODF) and Community Asset Transfer (CAT) Fund. I am currently considering the option of a new scheme taking account of the responses to the CFAP consultation. My aim is for a new scheme to commence during the 2014-15 financial year.

The other capital line is the Gypsy and Traveller Sites Capital Grant which is referred to in other parts of this paper and will be maintained at the current level of up to £1.5m from 2014-15 onwards.

## **7. Equality Impact Assessment**

### Employer Support Grant (Remploy)

We launched the Employer Support Grant (ESG) to help eligible displaced Remploy workers find new work. This is in direct support of the Welsh Government's Objectives 2 and 5, within the SEP.

The ESG aims to help workers facing redundancy due to the UK Government closing Remploy factories in Wales. The funding is available to organisations who can offer suitable employment to disabled former Remploy workers for a minimum period of four years. The support is also available to disabled former Remploy workers who have become self-employed or are planning to set up their own business. In May 2013, we announced that eligible Remploy workers affected by 'Phase 2' will also receive the same level of Welsh Government support.

This will protect and extend the positive impacts on those disabled people in Wales, assisting them to remain active members of the Welsh Labour force, and to enjoy the benefits that are received by other people on employment, including playing an active member in their local communities. In supporting these job opportunities for disabled people in Wales over a four year period, we help to ensure an inclusive and productive workforce that is sustainable. There are links that those who are disabled are often in poverty, mainly for reasons such as lack of income that prevention from securing employment provides. Hence, this funding provides positive socio economic impacts.

### Infrastructure Funding for the Third Sector

As a result of the "Continuity & Change: Refreshing the Relationship between the Welsh Government and the Third Sector in Wales" consultation which closed on 8 August 2013, there are likely to be changes to improve the engagement between both sides and a rebalancing of the support given to infrastructure funding. At the levels proposed, the reduction of the budget in 2014-15 and 2015-16 it is likely to have no, or very minimal, impact on those with protected characteristics. Consideration of the equality impacts has taken place throughout the process and this will contribute to a full EIA of any changes once the consultation responses are analysed and options for change established.

### Advice Services

The Programme for Government set out our commitment to support third sector advice providers to assist people who have debt problems and help people manage their finances. Objective one of the Strategic Equality Plan specifically focuses on strengthening advice and information services. The actions to progress this objective are substantially being taken forward as part of the Advice Services Review. The Welsh Government published its Review of Advice Services in May 2013 and work is being taken forward by the Independent Advice Providers Forum on the sectors response to the review. In terms of funding, we previously consolidated existing Welsh Government benefit take-up schemes (Better Advice, Better Health, Benefit take-up for Children with Disabilities and Council Tax and Housing Benefit take-up) to improve advice services available in Wales.

We will continue to support the work Citizens Advice Cymru are undertaking across Wales in supporting the most vulnerable and disadvantaged, including the consolidated benefit take-up scheme - Better Advice, Better Lives (BABL) which they administer, with funding of £2.2m protected in 2014-15.

### Communities First

Community involvement, equalities and inclusion remain absolute priorities for all elements of the Communities First programme. Every Cluster has developed a Community Involvement Plan to show how local people in general, and marginalised groups and individuals in particular, will be supported by and contribute to the local programme. These plans are already being implemented and they will be further strengthened and refined as the work progresses.

The Equalities Impact Assessment which was undertaken in 2012 will be revisited throughout the life of the Communities First programme and careful consideration will need to be given to how reductions are managed and met. However, this remodelled Community Focused Tackling Poverty Programme with a consistent remit to support the most disadvantaged people in the most deprived areas of Wales will continue, as will the awarding of £75m up to March 2015 to the 52 Communities First Clusters. We will also continue to support a range of key "programme bending" actions in partnership with other Welsh Government departments and partner agencies.

### Digital Inclusion

Our work on digital inclusion is rooted in social justice and equality, and is strongly linked to the Tackling Poverty and economic priorities of the Welsh Government. Evidence suggests that digitally excluded people are more likely to be older, disabled, live in deprived areas and have low incomes, which includes social housing tenants and the unemployed. We focus our work on these groups so that they can improve their quality of life and life chances by enjoying the benefits the internet and other digital technologies can offer.

Through the Digital Inclusion Delivery Plan and the work of our digital inclusion programme Communities 2.0, we will continue to work closely with key organisations that represent and work with the most digitally excluded people. These include Age Cymru, Disability Wales, RNIB, Shelter, Care and Repair, Communities First clusters, Housing Associations and Local Authorities. The Programme also works with other equality groups including Chwarae Teg and BME groups. We will continue to provide £1m in 2014-15 as match funding for the European funded Communities 2.0 digital inclusion Programme.

### Equalities

Our commitment to the principles of equality and fairness is reflected in the decision to protect the funding for the Equality and Inclusion Grant at the current level of up to £1.6m 2014-17. This provides grant funding to third sector groups and organisations to assist them in promoting equality, tackling discrimination and encouraging cohesive and inclusive communities across Wales. The work of third sector organisations is important in contributing to the Welsh Government's delivery of its Strategic Equality Plan equality objectives.

Maintaining this funding level will allow for positive impacts for all of the protected groups across Wales. However, as this fund is application based, the impact on particular groups will be dependent on those organisations that apply and are successful in obtaining funding. Based on previous trends in the distribution of funding awarded, all of the protected characteristics (with the exception of marriage and civil partnership and gender reassignment) were represented by the organisations which benefited from a funding award in 2012-13. In particular, groups representing gender, race and ethnicity, religion and belief, sexual orientation, disability and age received funding through the current grant schemes. Organisations representing groups with protected characteristics who

do not have funded organisations can apply for capacity building grants as part of the new scheme. The funding has a significant positive impact on equality because of its direct benefit to people who often face exclusion, disadvantage and discrimination.

This grant funding also contributes to the Welsh Government's commitment to tackling poverty in Wales. Evidence shows that particular protected groups are more likely to be in living in poverty, e.g. disabled people and lone parents, who are predominantly women. In relation to women, in 2012-13, 20% of the equality element of the Equality and Inclusion grant was awarded to groups who worked to promote women's equality.

The grant funding will support delivery of our SEP, which dovetails with the Tackling Poverty Action Plan, e.g. in addressing pay and employment differences, reducing the number of young people not in education, employment or training and facilitating disabled people to live independently.

In order to ensure that value for public money is maintained and that the grant scheme reflects both the current and future economic, social and environmental context in Wales, the grant scheme was redeveloped in 2012-13 with the full engagement of the third and statutory sectors. The grant been protected at its current spending level for the next three years, allowing longer term planning to take effect, and has been restructured in a manner that means it has a more sustainable impact as a result of its alignment with the SEP (which, in turn, is based on evidence and engagement). 14% of the total grant allocation awarded in 2012-13 was to groups representing age, including children and young people. This helps to support and promote the rights of children and supports future generations in Wales.

### Gypsies and Travellers

Our commitment to the principles of equality and fairness is also reflected in the decision to protect the funding for the Gypsy and Traveller Sites Capital Grant at the current level of up to £1.5m from 2014-15 onwards. This provides grant funding to local authorities to assist them in improving existing local authority owned Gypsy and Traveller sites and the development of new sites across Wales. The work to improve the living conditions on local authority owned sites in Wales is important in contributing to the delivery of 'Travelling to a Better Future' – Gypsy and Traveller Framework for Action and Delivery Plan.

Maintaining the site funding level will allow for a range of positive impacts across Wales. Research by the Equality and Human Rights Commission indicated that Gypsies and Travellers face particular issues of exclusion and inequality. Gypsies and Travellers with permanent site accommodation will have better access to services such as education and health.

The evidence of the need for improvement of sites includes Professor Niner's review in 2006 on Gypsy and Traveller sites across Wales. This highlighted the urgent refurbishment work required to bring local authority owned sites up to a minimum standard. The Welsh Government introduced the Gypsy and Traveller

Sites Capital Grant shortly after to address this problem. More recently, we have received feedback from some local authorities and Gypsy and Traveller residents living on local authority owned sites of the need for repairs and improvement. Whilst funding in recent years has improved living conditions for Gypsies and Travellers, further work is needed across Wales to improve site standards.

This grant funding also contributes to our tackling poverty commitment as evidence indicates that significant numbers of Gypsies and Travellers live in poverty. For example, there is proportionately a higher number of Gypsy and Traveller young people who are claiming free school meals.

In order to ensure that value for public money is maintained and that the grant scheme reflects both the current and future economic, social and environmental context in Wales, the process for applying for grant funding was redeveloped in 2012-13 with the full engagement of internal and external stakeholders. Recent examples of improvements in this area include: the refurbishment of access roads to sites; ensuring no loose electricity cables; and, speed calming measures, all of which have improved the health and safety for Gypsies and Travellers living on existing local authority owned sites.

Article 27 of UNCRC states the 'right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development'. This grant funding, as well as the proposed new duty, should ensure children will live on sites with minimum standards and not on unauthorised sites which may be unsafe. It is anticipated that children and young people will be better able to access education, healthcare, community facilities and be more integrated into local communities if existing sites are improved and new sites are provided as a result of a duty.

**Jeff Cuthbert AM**  
**Minister for Communities and Tackling Poverty**

**COMMUNITIES AND TACKLING POVERTY MAIN EXPENDITURE GROUP (MEG)**

REVENUE BUDGET - Departmental Expenditure Limit								
SPA	Actions	BEL Title	2013-14 Supplementary budget	2014-15 Indicative Plans Restated Final Budget	2014-15 Changes	2014-15 New Plans Draft Budget	2015-16 New Plans Draft Budget	
Supporting Communities and People	Third Sector	Third Sector	8,000	8,000	-700	7,300	7,000	
		<b>ACTION TOTAL</b>	<b>8,000</b>	<b>8,000</b>	<b>-700</b>	<b>7,300</b>	<b>7,000</b>	
	Tackling Poverty	Financial Inclusion		16,177	16,177	-200	15,977	14,977
		Digital Inclusion		1,000	1,000		1,000	1,000
		Welfare Reform		1,500	145		145	0
		Communities First		40,280	40,250	-800	39,450	38,383
		Child Poverty Policy		140	140		140	140
	<b>ACTION TOTAL</b>		<b>59,097</b>	<b>57,712</b>	<b>-1,000</b>	<b>56,712</b>	<b>54,500</b>	
Sustainable Development and Equality	Sustainable Development and Equality	Community Cohesion	500	200		200	200	
		Sustainable Development Fund	776	776		776	776	
		Equality and Inclusion Fund	1,645	1,645		1,645	1,645	
		<b>ACTION TOTAL</b>		<b>2,921</b>	<b>2,621</b>		<b>2,621</b>	<b>2,621</b>
	<b>Total Resource</b>		<b>70,018</b>	<b>68,333</b>	<b>-1,700</b>	<b>66,633</b>	<b>64,121</b>	

CAPITAL BUDGET - Departmental Expenditure Limit							
SPA	Actions	BEL Title	2013-14 Supplementary budget	2014-15 Indicative Plans Restated Final Budget	2014-15 Changes	2014-15 New Plans Draft Budget	2015-16 New Plans Draft Budget
Communities and Tackling Poverty	Communities and Tackling Poverty	Community Facilities	10,950	10,950		10,950	10,950
		Gypsy Travellers	1,500	1,500		1,500	1,500
		<b>ACTION Total</b>		<b>10,950</b>	<b>10,950</b>	<b>0</b>	<b>10,950</b>
	<b>Total Capital</b>		<b>12,450</b>	<b>12,450</b>	<b>0</b>	<b>12,450</b>	<b>12,450</b>
	<b>Total DEL</b>		<b>82,468</b>	<b>80,783</b>	<b>-1,700</b>	<b>79,083</b>	<b>76,571</b>

Resource tables = The baseline used for Resource DEL in 2014-15 is as at Final Budget 2013-14, restated to reflect Ministerial portfolio changes as announced by the First Minister in March and adjusted to reflect recurrent baseline adjustments included in the First Supplementary Budget 2013-14. These baseline adjustments are set out in Annex D of the Draft Budget narrative.

Capital tables = The baseline used for Capital DEL in 2014-15 is as at Final Budget 2013-14, restated to reflect Ministerial portfolio changes as announced by the First Minister in March.