

Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol

Communities, Equality and Local Government
Committee

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Bae Caerdydd / Cardiff Bay
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Carwyn Jones AM
First Minister

29 October 2014

Dear First Minister

Welsh Government draft budget proposals, 2015-16

Thank you for attending the Committee on 23 October 2014 to answer questions on the Welsh Government's draft budget proposals for 2015-16, specifically in relation to the Welsh language.

The Committee would like to draw your attention to the matters set out below, and looks forward to receiving your response, where appropriate, as soon as possible.

We note that the Finance Committee's consideration of the draft budget is structured around the four financial scrutiny objectives of affordability; prioritisation; value for money; and budget processes. We have applied these objectives to our considerations, where appropriate. A copy of this letter goes to the Finance Committee to inform its overarching consideration of the draft budget and it will also be published on our website.

1. Reprioritisation of budgets

We note the reduction in the draft budget for the Welsh Language and the Welsh Language Commissioner Budget Expenditure Lines. We also note the “like for like” reduction of £600,000 for Welsh in Education Budget Expenditure Line. We appreciate the clarification you provided that, while there has been additional funding for certain Welsh language programmes, this has been as a result of reprioritisation and that there has been an overall reduction in funding for the Welsh language.

We are aware that funding for some Welsh language programmes has been reduced in order to prioritise the delivery of the *Bwrw Mlaen* policy objectives. You made clear that the Welsh Government intends to focus its efforts on “young people and ensuring that the next generation can speak Welsh and use it”, as well as promotion of the language through digital technology. While we recognise that these are important components of the work required to sustain the Welsh language, we have some concerns about the impact of this reprioritisation on the support available to Welsh learners, in particular adult learners. We expect you to monitor this impact closely and we will return to this issue at an appropriate time.

You will be aware that, subsequent to your appearance before the Committee, we took evidence from the Welsh Language Commissioner (the Commissioner) on her Annual Report 2013-14. During the session, she emphasised the need to ensure that any strategic, budgetary or policy decisions relating to the Welsh language were based on sound evidence and a clear understanding of the potential impacts of those decisions. We share this view and believe that these are fundamental to the budget planning process. You told us that the decision to reprioritise funding to deliver on the *Bwrw Mlaen* objectives was “based largely” on the outcome of *Y Gynhadledd Fawr*. While we acknowledge this, we would have liked to have received more detailed information about the evidence you have used to reprioritise budgets for the Welsh language. On a related issue, you highlighted the need to ensure effective spend, particularly within the context of the current financial climate. As such, we would like you to provide further details on the outcomes you expect as a result of the reprioritisation and the timeframes within which you expect these to be achieved.

2. The Welsh language in mainstream budgets

We recognise that, in addition to the Budget Expenditure Lines specifically relating to Welsh language funding, there will be expenditure within other Ministerial portfolios that is used to support or protect the Welsh language. When asked to provide the total expenditure available for 2015-16 in this regard, you told us that “it is very difficult to disaggregate the figures in every department, particularly with public services and health”. Notwithstanding this, we are disappointed that you were not able to provide us with a clearer picture of funding for the Welsh language across Ministerial portfolios. We were encouraged by the Commissioner’s evidence on the steps that have been taken by the Welsh Government to improve the mainstreaming of the Welsh language into decision making. However, we note that the Commissioner also suggested that this is not yet being done in a comprehensive way, and so we would like you to consider how

improvement can be made in relation to this. In addition, we believe you should consider how mainstream funding for the Welsh language can better be identified to help inform scrutiny of next year's draft budget. We would like you to report back to us on these issues.

3. Impact Assessments

The need to better assess the impact of budget decisions on the Welsh language across Ministerial portfolios has been a continuing theme in our budget scrutiny work. This is something that the Welsh Government identified as an area for improvement in the Equality Impact Assessment accompanying last year's draft budget. Therefore, we were encouraged to hear that all departments were issued guidance to assist in preparing their draft budgets this year. We were also encouraged by the report from your official that "departments are already making [improvements] in terms of how they review and assess [Welsh language] spend". Nevertheless, we were disappointed about the lack of detail contained in the Strategic Integrated Impact Assessment (SIIA) about the work that was undertaken in this respect. Without such information, it is difficult for us to form a view on the robustness of the assessments and the extent to which they have influenced budgetary decisions. We would like to reiterate the point made during the meeting that we expect future SIAs to better reflect the work undertaken across departments to assess the impact of budget decisions on the Welsh language. In addition, we would like SIAs to include an assessment of the cumulative impact of those decisions on the Welsh language.

4. Welsh language Standards

We note your assertion that the introduction of Welsh language Standards (the Standards) in March 2015 under the *Welsh Language (Wales) Measure 2011* will serve to strengthen the impact assessment process and to ensure consistency of approach across departments. This is something that we will wish to test further when we look at next year's draft budget.

You told us that a regulatory impact assessment (RIA) had been carried out on the proposed Standards and that the estimated compliance costs provided by organisations affected by the Standards had "varied". You also told us that these organisations are already subject to costs associated with their statutory Welsh Language Schemes, which the Standards will replace. Therefore, you "would expect [them] to absorb the cost [of complying with the Standards] within their own budgets". While we have not considered the cost estimates set out in the RIA, we have some concerns about this assumption, particularly given that you "will not be able to finalise the expected impacts until [...] the standards [are in place]". As such, we would like you to keep the compliance costs under review and we will return to this issue at an appropriate time. Further to this, we would welcome clarification from you on the outcomes you expect to be achieved as a result of the Standards over and above those of the existing regulatory regime.

5. Welsh Language Commissioner's budget

We note the proposed reduction of 8 per cent in the draft budget for the Welsh Language Commissioner in 2015-16. This follows the 10 per cent reduction in funding for the Commissioner in 2014-15. We were pleased to hear from the Commissioner that she had been given more advanced notice of the proposed reduction from your officials than in the previous year.

Taking account of existing financial constraints, we accept that some reduction in funding for the Commissioner is inevitable. However, we understand from the Commissioner that her budget will have been reduced by 24.8 per cent, in real terms, by 2016, which will be just four years after her office was established. She told us that this year's proposed reduction would have a "significant impact" on the work of her office, in particular its non-statutory work, including innovative projects within the third and private sectors. We would welcome a response from you on this. More specifically, we would also welcome clarification from you on whether the impact of the proposed reduction on the Commissioner's non-statutory work was considered as part of the budget decision process.

On a wider point, the Commissioner questioned the extent to which it is constitutionally appropriate for her budget to be allocated by the Welsh Ministers given that she will shortly be responsible for regulating the Welsh Government's compliance with the Standards. We would welcome your views on this.

Finally, we were concerned to hear from the Commissioner about the delay in the publication of the Welsh Government's Annual Report for 2013-14 on its own Welsh Language Scheme. We are aware that you published the Report shortly after the Commissioner's appearance before the Committee. While we are pleased that the Report is now available, it would be helpful if you could provide an explanation for the delay.

6. Welsh in Education budget

We are concerned about the transfer of £5.13 million from the Welsh in Education Grant, which you told us will reduce the support available from local authorities to schools for the Welsh language and Welsh second language teaching. We also note the "like for like" reduction of £600,000 for the Welsh in Education Budget Expenditure Line. In particular, we are concerned about the impact of this on the delivery of the Welsh Government's *Welsh-medium Education Strategy*, especially since some of its main targets already look set to be missed. In responding to this concern, you referred to the Government's one per cent funding protection for schools. However, we note that this protection will apply equally to English and Welsh schools. Taking account of these factors, we are unclear about how the Government expects to make progress towards targets in the *Welsh-medium Education Strategy*. We would welcome a more detailed explanation from you on this issue and how you have assessed the likely impact of the funding decisions you have made in this respect on outcomes. Linked to this, we would also like information on your understanding of the extent to which local authorities are actually meeting the demand for Welsh-medium education.

7. Planning (Wales) Bill

We are aware that, contrary to the recommendation by the Welsh Language Commissioner, the Planning (Wales) Bill does not make provision that would oblige planning authorities to consider the Welsh language when making decisions. We are also aware that the Environment and Sustainability Committee is in the process of considering the Bill and, as such, we would not wish to pre-empt any conclusions it may come to in relation to the Welsh language. However, we were encouraged to hear that the Welsh Government is “open to suggestions as to the structural aspects of the Bill, which could be strengthened as far as the language is concerned”.

On a related issue, you told us that local authorities are expected to [take account of TAN 20 and carry out Welsh language impact assessments] when developing and reviewing their Local Development Plans (LDPs). You also told us that you had developed an impact assessment toolkit for authorities to assist them in undertaking this work, which we welcome. We would like clarification on the extent to which the toolkit is being used by authorities in the development and revision of LDPs. We would also like your views on whether you believe that TAN 20 and the toolkit is a strong enough mechanism to ensure that local authorities and planning inspectors give sufficient consideration to the Welsh language in the planning decision process.

Yours sincerely



Christine Chapman AC / AM

Cadeirydd / Chair

cc Jocelyn Davies AM, Chair, Finance Committee