

Jane Hutt AS/MS  
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip  
Minister for Social Justice and Chief Whip



Llywodraeth Cymru  
Welsh Government

Jenny Rathbone MS  
Chair of the Equality and Social Justice Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
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31 July 2023

Dear Jenny,

Thank you for the Committee's report on the In-year financial scrutiny: 2023-24 outlining 12 questions for the Welsh Government.

Please find enclosed the Welsh Government response to these questions.

Yours

A handwritten signature in black ink that reads "Jane Hutt". The signature is written in a cursive style with a horizontal line above the first name.

**Jane Hutt AS/MS**  
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip  
Minister for Social Justice and Chief Whip

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

**Response to Equality and Social Justice Committee:  
In-year financial scrutiny: 2023-24**

**Cost of Living**

**Welsh Government preparedness for the cost of living challenges that will arise this winter and any additional action you may be able to take to support the most vulnerable households?**

- A Cabinet Sub-Committee on the Cost of Living has been established to provide strategic direction to the Welsh Government's response to the cost-of-living crisis. Its work is informed by the evidence of experts, service providers and organisations supporting people struggling with rising costs, including the voice of those with a lived experience, to help inform our preparations for winter.
- We continue to support disadvantaged households in Wales to mitigate the impact of the cost of living crisis through programmes which provide targeted support to alleviate financial pressures; these include: the Discretionary Assistance Fund; action to maximise incomes including our Here to Help campaign; and initiatives that deliver the social wage in Wales like our Council Tax Reduction Scheme, which helps keep money in people's pockets. During 2022-23 and 2023-24, this support was worth more than £3.3bn.
- Our [policy statement](#) on the new Warm Homes Programme sets out our long term commitment to a just transition to net zero through the twin objectives of tackling fuel poverty and the climate emergency.
- Many of the initiatives that supported people in 2022-23 with cost of living pressures, such as the Wales Fuel Support Scheme, were only possible because significant funding was allocated through the 2022-23 budget. We repurposed our budgets to prioritise funding for household that were hardest hit by the crisis.
- Unfortunately, our funding allocation from the UK Government is insufficient to enable us to repeat many of these schemes in 2023-24. In addition, our budgets are worth considerably less than when our plans were originally published in December 2021.
- We are considering what additional action can be taken this winter in light of the challenging financial position we are in. Our decisions will be informed by the recommendations of the Cost of Living Expert Group on where we can have most impact.
- In the longer term, our 10 year draft Child Poverty Strategy sets out our objectives for improving outcomes for children and families. The draft Strategy is currently out to [consultation](#) and we would welcome your views.

**Has the Expert Group on the Cost of Living made its recommendations to the Welsh Government yet? If so, when can we expect these to be shared with the Committee (see also the response to the Draft Budget 2023-24 report).**

- Initially it was anticipated that the Expert group would report to the Cost of Living Cabinet Sub Committee in June. The Minister for Social Justice and Chief Whip and the First Minister met with the Expert Group in May 2023 to discuss progress. At that meeting the Expert Group asked for additional time to formulate their recommendations.
- It is expected that the Expert Group will now submit their recommendations in a report by the end of July 2023.
- The Cost of living Cabinet Sub Committee will formally consider this report following recess.

**Please provide details of the budget monitoring of Discretionary Assistance Fund (DAF) demand. Has there been any revision of the allocations made in the draft budget for 2023-24 in response to the outcome of that monitoring?**

- The monthly figures indicate that the DAF is operating within budget. The quarterly *target* spend is £8.5m, and for the first quarter (April – June 2023) *actual* figures show a spend of £8.1m. However, officials are aware that demand on the DAF is very likely to increase in the autumn/winter quarters with fuel costs predicted to rise. Officials are monitoring the DAF expenditure extremely closely. There has been no revision to the DAF allocations made in the draft budget for 2023-24.

**Has the evaluation of the Single Advice Fund been concluded and if so, can it be shared with the Committee?**

- The evaluation of the Single Advice Fund (SAF) is currently ongoing. The review is employing a mixed method approach. Through quantitative methods the research will determine if the SAF collaborative delivery model has reached more disadvantaged and marginalised groups than the historical Welsh Government advice service funding streams and if people with multiple welfare problems are being helped.
- The qualitative research will provide valuable insights from people who have accessed SAF services. For example, their experiences of engaging with a service and the impacts of doing so, i.e., did they find the solution to their problems, have they developed more confidence in their own ability to deal with future welfare problems, etc. The review will be completed in the Autumn, and I will share the findings with the Committee.

**In line with recommendation 10 in our report *Unsustainable: debt fuelled by the rising cost of living*, and recommendation 6 in our *Draft Budget 2023-24* report, when do you expect to publish final figures regarding uptake for the**

**Fuel Voucher Scheme against the targets set when the scheme was launched, both in relation to prepayment meters and off-grid households?**

- As set out in our response to recommendation 10 of the ESJ Committee report *Unsustainable: debt fuelled by the rising cost of living*, up to the end of March 2023, the Fuel Bank Foundation had issued 19,561 vouchers to support households which could not afford to top up their pre-payment meters. Allocations of fuel vouchers increased significantly with the development of the referral network Wales which increased from 6 partners at the point when the funding was allocated, to over 100 partners by the end of March 2023. At the end of March 2023, the remaining funding was used to purchase pre-payment meter vouchers which will be issued in Wales throughout 2023 as demand requires. The number issued since the project began is now 25,202. We will not know the final uptake figure for the Fuel Voucher Scheme until 2024.
- The Welsh Government also agreed that the Fuel Bank Foundation could run a pilot to purchase heated throws as an alternative approach to supporting people in fuel poverty. The pilot sought to heat the person not the home and 968 heated throws have been allocated to Welsh households.
- By the end of March, a further 184 households received help to purchase off grid fuel. The Fuel Bank Foundation continues to provide crisis oil tank top ups across Wales in its capacity as a charity, although demand is currently less due to the summer weather and the seasonal drop in oil prices.
- To date, these interventions have supported 63,614 people of whom 43% were children.

## **Violence against women, domestic abuse and sexual violence (VAWDASV) and migrant women**

**The Welsh Government accepted recommendation 3 of our report Violence Against Women, Domestic Abuse and Sexual Violence: migrant women to support migrant women with No Recourse to Public Funds (NRPF), and we welcome your statement on 4 July 2023 which confirms a pilot of the Migrant Victim of Abuse Support Fund.**

**The Welsh Government also accepted the Committee's recommendation in its Draft Budget report 2023-24 that it should clarify how the crisis fund will be funded. We understand that resources will be diverted from the existing VAWDASV budget.**

**Please confirm how much has been allocated to the fund and the evidence base for arriving at that figure. What assessment, if relevant, has the Welsh Government undertaken to assess the impact of diverting resources from existing VAWDASV services and activity. Alternatively, please can you provide details of where the cuts have been made.**

- The NRPF pilot has been funded on an affordable basis, using £150k from the existing VAWDASV budget and therefore it has not been necessary to divert funding from other existing activities and services.
- The budget for the pilot was agreed following a comprehensive assessment of the data available in relation to need. Officials were able to draw on feedback and learning from the Support for Migrant Victims (SMV) scheme which highlighted, amongst other issues, where funding was insufficient, for example in covering accommodation for refuge places. From this, officials were able to build a picture of how much funding was needed to deliver the essential elements of the scheme and develop options for the initial in-year pilot.
- The pilot design has taken account of affordability issues and also recognised that Public Health Wales (PHW) are currently undertaking research in this area. The pilot, while not filling all the identified gaps, will go a considerable way towards doing so and provide additional evidence of benefits and remaining need, to inform future funding decisions. This will also provide scope to learn from the PHW research when it is completed, as well as taking into account future actions by the UK Government in relation to the SMV scheme.
- On this basis, £150k has been allocated to BAWSO as a grant to deliver the pilot during 2023/23, seeking to provide the following:
  - Top up the subsistence funding to victims under the SMV scheme to match the funding amount available under the Destitution Domestic Violence concession.
  - Subsidise additional funding to extend the time survivors can stay in supported accommodation whilst legal support is sought and more permanent status is processed (approximately 4 weeks per victim).

- Provide additional funding if required (if ineligible under the Social Service and Wellbeing (Wales) Act 2014), for families ineligible for refuge spaces (e.g. victims with three or more minors).
- Provide funding to support up to an additional 15 victim/families and include an arrangement to remain in their own home if a perpetrator can be removed.
- Approximately 5% additional costs for additional accommodation above the standard timescales for exceptional cases.

## **Equality and human rights**

**Please set out the impact of the reduction in EU funding on Wales-based organisations, specifically Chwarae Teg and Welsh Council for Voluntary Action (WCVA). What assessment has been made of the impact on delivery of Welsh Government equality plans. What consideration has been given to developing new funding streams to fill the gap in EU funding?**

- WCVA were managing circa £5/6m a year in grants to organisations through the Active Inclusion Fund and the Social Business Growth Fund. The loss of these programmes has resulted in WCVA losing approximately 30 roles, both staff working wholly on EU-funded programmes as well as other staff from a loss of support for overhead costs. This has meant that WCVA has lost a number of very experienced staff from the employability sector who provided advice on a range of topics such as governance, procurement, financial controls and monitoring and evaluation, as well as grant support.
- In wider terms WCVA have also been integral to supporting the Third Sector with accessing EU funds, ensuring the voice and view of the Third Sector was part of the governance of EU funds. We are aware that currently no such funds, role or governance arrangements exists under UKSPF to replace that role.

## **Background**

- It is estimated that under the 2000-2006 European Structural Funds programmes the Third Sector accessed over £224 million and in the 2007-2014 funding cycle it was awarded over £105 million. Under the current 2014-2020 programmes the Third Sector has led operations worth over £138 million.
- Third Sector organisations have had a significant involvement in ESF funded employability and skills programmes, such as WCVA's Active Inclusion Fund, which helped voluntary organisations support some of the most marginalised and disadvantaged in society on their journey towards employment. Since 2015 Active Inclusion awarded over £30 million in grant funding to more than 180 organisations and helped over 23,000 disadvantaged people to move into or closer to employment. The Fund had a calculated 'social return on investment' of approximately £3.37 of benefit generated for every £1 spent.
- Over the past two decades the Structural Funds have been successfully used to stimulate the growth and development of the social business sector in Wales with the help of the European Regional Development Fund. In the current funding

programme WCVA's Social Business Growth Fund and Community Asset Development Fund awarded £4.8 million across 59 social businesses which created 282 jobs.

### **Experiences in the criminal justice system**

**As referenced in our report Women's experiences in the criminal justice system, can you confirm whether any costings have been developed of the proposed Residential Women's Centre pilot, including the financial impact on local public services.**

- The Ministry of Justice will bear the cost of the proposed Residential Women's Centre pilot. The 12 women residents will continue to access local public services whilst at the centre. As the women will already be living in the local area we do not expect this to have an impact on costs. Any additional services provided will be funded by the Ministry of Justice.

**Can you confirm whether a sustainable funding stream for women's centres is now in place.**

- A key priority for the next phase of work on the Women's Justice Blueprint is to develop a robust approach to non-residential women's centres across Wales. Centres such as the North Wales Women's Centre in Rhyl and the Nelson Trust Centre in Cardiff provide a valuable range of services including support to manage and overcome substance misuse, childcare support, access to sanitary products and help with the cost of living. We are currently considering the different models of women's centre to understand the best approach for Wales, and this work will draw on the findings of the Committee's inquiry into women's experience of the justice system.

**Has the tender for the new Women's Pathfinder Whole System Approach Specification, mentioned in response to recommendation 5, now been published?**

- The tender for the Women's Pathfinder Whole System Approach Specification is undergoing final checks and approvals. We expect the tender to be published over the summer.

## **Budget improvement**

**Please provide an update on recommendation 10 in the Draft Budget report 2023-24. Can you set out what action has been taken to develop your work on prevention.**

- Welsh Government recognises the importance of prevention in the budget setting process. The preventative work that we have undertaken is seen as part of the wider work of the Budget Improvement Plan (BIP) which is updated and published annually alongside the Draft Budget. Our BIP outlines the actions we are taking on prevention.
- Through our Budget Improvement Impact Advisory Group (BIIAG) we are engaging with key stakeholders on improving budget processes. In January 2023, we delivered a presentation to BIIAG stakeholders on prevention so that stakeholders could better understand this complex area. Prevention is a key part of the BIIAG work plan for 2023 and a sub-group has been set up to specifically look at how we can embed prevention into our budget processes. This work is ongoing and will be completed in December 2024.
- We are also considering what further steps we might take as part of our 2024-25 Budget preparations.
- We will provide a further update in our Budget Improvement Plan in line with our established practice when it is published alongside the 24-25 Draft Budget.

**We ask that you reconsider your position on recommendations 11 and 12 in the Draft Budget 2023-24 report, which were rejected at the time. We are concerned that publishing a summary of all Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG is not an adequate response to our recommendation.**

**We would like to see how you intend to provide greater clarity and transparency in the way next year's budget is presented. How do you intend to address criticism of the current approach to Strategic Impact Assessments? Will you commit to publishing a distributional analysis with the Draft Budget 2024-25?**

- With regards recommendation 12 our position remains that this is rejected.
- For recommendation 11 we are prepared to accept this in principle on the basis we continue to outline the steps we are taking to reform budget and tax process improvements as part of our Budget Improvement Plan, which is published alongside the Draft Budget. This year we have worked collaboratively with the Budget Improvement Impact Advisory Group (BIIAG) to explore how we undertake the Strategic Integrated Impact Assessment (SIIA); this has included some changes within the SIIA published as part of the 2023-24 Draft Budget. Further longer-term actions are being explored through continued working with



the BIIAG to review our approach to assessing impacts of budget decisions as part of the Budget Improvement Plan (BIP).

- At this early stage of the 2024-25 Budget process and the uncertainties we are facing, we are not in a position to provide an update on clarity and transparency as to how next year's Budget will be presented at this time.
- It also remains important to recognise that this SIIA outlines the contextual evidence that has supported our spending decisions. It is just one of a suite of documents published as part of our Draft Budget, with the impact of spending decisions outlined as part of the main narratives in chapter four, complemented by the SIIA at Annex A. Following publication of the Draft Budget, we published an extensive summary of all Ministers' written evidence to Senedd Scrutiny Committees on allocations within each MEG. This provides a more detailed account as to how Budget decisions have impacted on different groups.
- An updated distributional analysis of devolved public spending in Wales will be published alongside the 2024-25 Draft Budget.