

Carl Sargeant AM
Cabinet Secretary for Communities and Children

16 November 2016

Draft Budget 2017/18

Dear Cabinet Secretary

Thank you for attending the Children, Young People and Education Committee's meeting on 2 November to discuss the draft Budget, and for providing the requested information in advance of the meeting.

The Committee felt the session was productive and welcomes your comments on the need to take brave decisions, particularly in relation to preventative interventions for adverse childhood experiences and resilient communities.

On a general point, the Committee is concerned that there is a lack of clarity about the allocations for specific programmes, such as Flying Start and Families First. Further, the funding for some important policy areas within your portfolio, such as looked after children, currently falls within other Cabinet Secretaries' budgets. This lack of clarity makes scrutiny of those allocations difficult.

The Committee's comments on specific programmes within your portfolio are outlined below.

Families First, Flying Start and Communities First

Prevention and Early Intervention BEL

You told the Committee that you have merged the budget lines for Flying Start, Families First and Communities First into one budget expenditure line (BEL) – the Prevention and Early Intervention BEL. However, the programmes themselves will not be merged and will continue to operate as separate entities.



In previous years, there were individual BELs for each of the three programmes, and therefore the Committee was provided with the breakdown of allocations in advance of the scrutiny session. In advance of this year's meeting, your officials informed the Committee that a breakdown of the allocations for each programme was not available. However, during the meeting, you were able to tell the Committee the specific amounts that had been allocated to each of the programmes.

This raises three issues which, the Committee believes, need to be addressed.

First, the lack of detailed information about the allocation of funding to these important programmes makes scrutiny difficult. The total amount allocated to Flying Start, Families First and Communities First in the draft budget is £154.38 million – a substantial proportion of the budget for which you are accountable. It is vital for good scrutiny for the Assembly to be able to access information on how much funding has been allocated to major Welsh Government programmes.

Second, it is clear that Welsh Government was in possession of this information, but would not provide it to the Committee. The Committee would be grateful if you would explain why.

Third, the Committee notes that Welsh Government is seeking to give increased flexibility to local authorities for the use of these funds. However, a balance must be struck to ensure the Assembly can hold Welsh Government to account for its decisions; ascertain whether or not Welsh Government is obtaining value for money for the taxpayer; and ensure that policies are effective.

Families First and Flying Start

The Committee notes your commitment, in principle, to the continuation of both Families First and Flying Start. We also recognise that both programmes need to evolve to ensure they are fit for purpose.

As outlined above, the Committee recognises that the merging of the budgets for these two programmes may give more flexibility to local authorities, but there remains concerns about the level of oversight you will have of the expenditure on and the outcomes you are expecting as a result of these key Government policies.

The Committee would be grateful for further information on how you intend to monitor the use of the merged funding for each of the programmes.

You also referred to the outreach element of Flying Start and how it has “started to address” the limitations of the programme i.e. that it is based on location. The Committee would be grateful to receive information on any assessment or evaluation you have conducted on this element of the programme.



Communities First

The Committee notes you have announced that you are minded to phase out Communities First and that you are currently undertaking a consultation on whether the programme should continue.

You informed the Committee that, if you decide to “exit” Communities First, “it will be a controlled exit”. Please provide further information on what you would consider to be a “controlled exit” and how it will be managed.

The Committee would also be grateful if you could provide information on the evidence base you will consider when making your decision; and the estimates of the costs and benefits of discontinuing the programme.

Children’s Zones

The Committee notes your comments about Children’s Zones, a Welsh Government concept that is still in its infancy. The Committee understands that it will consist of a number of different interventions targeted to support the child or young person. A problem with such an approach is that it is difficult to attribute success to any one intervention and, consequently, to assess the effectiveness and value for money of each intervention. Moreover, multiple interventions may be funded across Ministerial portfolios which will require co-operation.

The Committee will seek more information as the concept is developed.

Childcare

The Committee notes that around £10 million has been allocated to exploratory and piloting work for this ambitious programme. The Committee is supportive of the principle underpinning the programme and recognises that the programme is still in its infancy. Nevertheless, the lack of clarity around a number of issues is a cause for concern.

Costs of the programme

The Committee notes that your estimate of the costs of the childcare offer as it is currently envisaged is £100 million per annum.

Analysis by the Public Policy Institute for Wales (PPIW) suggested that the costs could be between £125 million and £228 million.

You said that the assumptions underlying the PPIW calculations considered a childcare offer for term time, which was incorrect, as Welsh Government’s childcare offer extends not only to term time, but to 48 weeks of the year.



The Committee questions how the Welsh Government's estimate of costs, if it is based on an offer covering more weeks in the year, can be lower than PPIW's estimate. Welsh Government must be making different assumptions to PPIW.

The Committee would be grateful if you could provide information on the assumptions on which you are basing your estimates and the evidence on which you are basing those assumptions. Can you also provide the Committee with information on any other models of provision you have considered and the costs and benefits associated with them?

Further, the Committee would be grateful for information on your assessments of the financial benefits of the programme as currently envisaged, when it becomes available.

You told the Committee that Welsh Government is "absolutely" committed to delivering this programme and that its costs will be managed within Welsh Government's budget. Given the lack of clarity over costs, the Committee questions the prudence of such a commitment. If the actual costs of the programme are closer to the higher estimates made by PPIW, there will be a significant, ongoing impact on the budgets of other programmes and departments.

Workforce

In relation to the capacity of the workforce to deliver the programme, you told the Committee that this was a significant concern for you – more so even than the costs of the programme. You also spoke of the importance of ensuring that the workforce is of a high quality.

You did not, however, provide details of how your concerns about the capacity of the workforce will be addressed. Perhaps this is because the programme is still in the early stages of development, however, the Committee is concerned that the scale of the task is significant and that progress needs to be made quickly.

With this in mind, the Committee would be grateful if you could provide information on assessments Welsh Government has made of the capacity of the workforce to deliver the programme; planning that is being undertaken to address potential problems with capacity; and assessments of the costs of ensuring that the workforce capacity is sufficient to deliver the programme.

Welsh language provision

You said that you had held early discussions with the Minister with responsibility for the Welsh language. You also said that the pilots will provide more information as to how such provision can be made.

The Committee believes that Welsh Government should put measures in place to ensure that there is sufficient provision available in the Welsh language and that



there is sufficient capacity within the Welsh-medium workforce to deliver that provision. Furthermore, given Welsh Government's commitment to increasing significantly the number of Welsh speakers, the Committee believes that you should aim not only to meet demand, but to use the programme as an opportunity to proactively encourage the use of the Welsh language.

Timetable for implementation

You made a clear commitment that the programme will be in place in its entirety by 2021.

The Committee recognises how ambitious this commitment is, given the scale of this programme and the issues that need to be addressed. The Committee would be grateful if you could provide an outline timetable, including milestones and targets, of how you will deliver the programme by 2021.

Positive parenting and costs associated with legislation to remove the defence of reasonable chastisement

You told the Committee that you would be evaluating the use of social media platforms and other communication methods you are using as part of the positive parenting programme. The Committee would be grateful if you could provide further information on the results of the evaluation when it becomes available. Could you also provide the Committee with further information on the proportion of funding allocated to deliver projects within the programme, including the outcomes you expect to see from that investment.

The Committee also notes that funding has not been made available in this budget year for the proposed legislation to remove the defence of reasonable chastisement as the Bill is not due in the next financial year. However, preparatory work will be funded from the positive parenting budget. The Committee would be grateful for details of that preparatory work.

Looked After Children, adoption, CAFCASS Cymru

The number of looked after children has increased by 5% over the last five years, though it has remained relatively stable over the last three years. This will inevitably have an impact on social services budgets and you referred to several interventions that you are exploring with an aim to reduce the number of looked after children. You also referred to an advisory group on looked after children, which is chaired by David Melding AM and which is considering a variety of relevant issues.

The Committee notes that the interventions you described are long-term – they will take time to have an impact. The Committee seeks reassurance from you that you are satisfied that steps are being taken to address the problems as they exist now.



You also informed the Committee that the funding allocations for CAF/CASS Cymru “remain at the same level despite increasing demand on referrals over the last 12 months”. The interim Chief Executive of CAF/CASS Cymru told the Committee that the service was managing the increase in demand as a result of internal restructuring and a programme of modernisation, which had increased resilience. The Committee seeks reassurance from you that, should demand continue to increase, you are confident the service is sustainable.

Children’s Rights, Participation and Play

The Committee is, again, disappointed that a Child’s Rights Impact Assessment (CRIA) was not prepared for this draft budget. Given that a Government’s financial allocations are clearly one of the most obvious ways in which children’s rights will be affected, it is difficult to understand why such an assessment was not required in order to comply with the Rights of Children and Young People (Wales) Measure 2011. The lack of a standalone and transparent Child’s Rights Impact Assessment means it is more difficult to identify how the Welsh Government’s allocation of resources will impact on children and young people, and on individual groups within that population.

The Committee would be grateful if you could provide examples of how the Draft Budget 2017-18 allocations were affected or changed as a result of Welsh Government’s consideration of children’s rights.

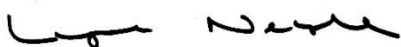
Child poverty

Resilient communities and ACEs

The Committee welcomes your candour when discussing the lack of progress in addressing poverty and notes that some issues in relation to this agenda, such as welfare reform, are outside Welsh Government’s control. We also welcome your comments about the importance of early, preventative, interventions. The Committee also noted with interest your comments about Adverse Childhood Experiences. These are subjects the Committee looks forward to discussing with you over the next year.

I am copying this letter to the Chair of the Finance Committee to inform its overarching scrutiny of the Draft Budget.

Yours sincerely



Lynne Neagle AC / AM
Cadeirydd / Chair

cc Chair of Finance Committee

