



Oxfam Cymru: Submission to the Finance Committee to inform the scrutiny of the Welsh Government draft budget proposals for 2020-21

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Introduction

Oxfam works with others to overcome poverty in three ways:

- by developing projects with people living in poverty that improve their lives and show others how things can change
- by raising public awareness of poverty to create pressure for change
- by working with policymakers to tackle the causes of poverty.

For further details about Oxfam's work, see www.oxfam.org.uk/.

Oxfam Cymru welcomes the opportunity to contribute to the Finance Committee's thinking on the scrutiny of the Welsh Government draft budget. The budget is one of the key mechanisms by which the Welsh Government can show leadership in driving through the major changes required by the Well-being of Future Generations (Wales) Act 2015. As such, it is essential that we see a budget process that fundamentally changes the way finances are allocated to effectively implement the Act. There was little evidence of these changes in either the 2017-18 or 2018-19 budget allocations. Answers to specific consultation questions are given below, however much of the evidence we presented on the 2019-20 budget (see Annex) is still relevant for the 2020-2021 budget.

Q2. What expectations do you have of the 2020-21 draft budget proposals?

Welsh Government should undertake gender-responsive budgeting. Oxfam has published a Guide to Gender-Responsive Budgeting designed to show how different actors can influence the budget cycle to promote gender-responsive budgeting at its different stages.¹ This would be a significant step towards the Welsh Government's ambition of becoming a Feminist Government.

A range of evidence has been provided to Welsh Government by various organisations of the need to incorporate a gender sensitive approach to the budget process. This has included advice on compliance with the Public Sector Equality Duty. We would like progress on this to be evidenced in the 2020-21 budget so we can clearly see how Welsh Government budgets and resource allocation work for women as well as men.

Over the years, organisations have provided advice and guidance to Welsh Government on gender budgeting, and Oxfam is willing to share our expertise – drawn from our international and domestic research and experience - with Committee members as well as officials as appropriate.

¹ Oxfam (2018) A Guide to Gender Responsive Budgeting <https://policy-practice.oxfam.org.uk/publications/a-guide-to-gender-responsive-budgeting-620429>

Q3. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

**- Approach to preventative spending and how is this represented in resource allocation
(Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)**

We are not clear how Welsh Government approach preventative spending, how the cost benefits of budget allocations are assessed or what internal drivers exist to stimulate preventative spend by one budget holder to make cost savings either now or in the future either within their own budget and for another budget holder.

Oxfam Cymru believes that there is a clear moral and economic case for prioritising preventative spending resource allocation to eradicate poverty and inequality. The Bevan Foundation has estimated that poverty costs the Welsh economy £3.5 billion a year, wasting people's potential, whilst hampering economic growth.² Furthermore, economic inequality and poverty in Wales can lead to a variety of devastating outcomes. For example, the death rate among children living in the most deprived fifth of Wales is 70% higher than those living in the least deprived.³ The Welsh Health Survey demonstrated significant correlations between mental illness and deprivation; in the most deprived areas 18% of people reported mental illness, while only 9% did so in the least deprived areas.⁴

Similarly, children from deprived backgrounds will be over a year behind in their vocabulary by the time they are five years old, are more likely to fail to achieve expected levels by the end of primary school and are over five times more likely to become 'NEET' (not in education, employment or training) when compared with children from less deprived backgrounds.⁵

For all these reasons, tackling economic inequality and poverty must be a top priority for Wales and needs a whole government approach – led by a dedicated cabinet post holder. The Finance Committee needs to play a key role in assessing and scrutinising work to tackle poverty, reduce inequality and raise the living standards of those households with the lowest budgets.

For example, insufficient evidence in terms of cost benefit analysis is available to make an informed decision on the revised eligibility for free school meals (WG32942). Financing a policy that maximises the numbers of children in Wales eligible for free school meals should be viewed as preventative spending. The broader benefits of widening access to free school meals are well known with economies of scale reducing the price per meal, improvements in children's health generating savings for the NHS, educational benefits supporting a more prosperous economy as well as the potential to boost the rural economy and to deliver wider environmental outcomes such as improvements in land management and reductions in energy-use and waste generation. However,

² Bevan Foundation <http://www.bevanfoundation.org/what-we-do/poverty/> Accessed September 2015

³ Public Health Wales (2015) "Child Death Review Programme Annual Report 2015" [http://www2.nphs.wales.nhs.uk:8080/ChildDeathReviewDocs.nsf/85c50756737f79ac80256f2700534ea3/dfc42877da71d3b380257e7e002e0a71/\\$FILE/CDR%20Annual%20Report%202015%20\(Eng\).pdf](http://www2.nphs.wales.nhs.uk:8080/ChildDeathReviewDocs.nsf/85c50756737f79ac80256f2700534ea3/dfc42877da71d3b380257e7e002e0a71/$FILE/CDR%20Annual%20Report%202015%20(Eng).pdf)

⁴ Welsh Health Survey data cited in Oxfam Cymru (2015) "The Welsh Doughnut: A Framework for environmental sustainability and social justice" <http://policy-practice.oxfam.org.uk/publications/the-welsh-doughnut-a-framework-for-environmental-sustainability-and-social-just-346207>

⁵ Welsh Government figures cited in Wales Centre for Equity in Education (2014) "Good news...What schools in Wales are doing to reduce the impact of poverty on pupil's achievement" <http://dysgu.llyw.cymru/docs/learningwales/publications/141119-reducing-the-impact-of-poverty-on-educational-achievement-en.pdf>

Welsh Government are not analysing the cost benefits of such policy change in any meaningful way and so an informed decision is impossible.

- Sustainability of public services, innovation and service transformation

Please refer to our 2018-19 evidence submission presented in the Annex which gives further information on how the Wellbeing of Future Generations Act should be driving such innovation and of the Social Return on Investment (SROI) of adopting a Sustainable Livelihoods Approach (SLA) to supporting people out of poverty. It should be noted that Oxfam Cymru is working in partnership with the Department for Work and Pensions to embed the SLA within Job Centres across Wales.

- Welsh Government policies to promote economic growth, reduce poverty, gender inequality and mitigate welfare reform

Since 2016, there has been a shift in the Welsh Government's approach to tackling poverty. Ministerial responsibility has moved to the Cabinet Secretary for Economy and Infrastructure, which reflects the change in emphasis to economic development. It has been mainstreamed across all portfolios, and sits within the wider legislative framework introduced by the Well-Being of Future Generations (Wales) Act. While there is a Child Poverty Action Plan, there is not currently a broader poverty strategy or action plan. The UN Special Rapporteur on extreme poverty and human rights found that the Welsh Government's approach and new Prosperity for All Strategy, has removed the strategic focus on and the individual Ministerial responsibility for poverty reduction, and lacks clear performance targets and indicators to measure progress and impact. Professor Philip Alston, also found that employment has not proven to be an automatic route out of poverty in Wales. In-work poverty has grown over the last decade. Twenty-five percent of jobs pay below the Living Wage, and low-paid, part-time or insecure jobs are often disproportionately taken up by women, largely due to difficulties in balancing work and caring responsibilities. ⁶Given the stubbornly high poverty rate in Wales, this is no longer acceptable.

This change has made it harder for the National Assembly for Wales and external stakeholders to scrutinise Welsh Government performance explicitly on poverty since it is spread across all departments. Similarly, as there is no single strategy there is no Equality Impact Assessment where gender and women's issues would be highlighted.

Women are persistently overrepresented in poverty, and in low paid, insecure, part time work. Gender inequality is one of the oldest, and most pervasive forms of inequality, and shapes our economy, society and community. It denies women their voices, it devalues their work, and results in power imbalances between men and women. Social policy and public services are rarely gender neutral because all services contain hidden assumptions about the lived needs and experiences of men and women. Welsh Government has taken some positive steps in the right direction by declaring its intention to become a Feminist Government, but practical action is needed to meet this ambition. This can be seen within Oxfam Cymru and WEN Wales recent Feminist Scorecard for Welsh Government:

<https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620742/bn-feminist-scorecard-wales-130419-en.pdf?sequence=1&isAllowed=y>

⁶ <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23881&LangID=E>

Women's contribution to the UK economy has grown over the past few decades, with record numbers of women now working and setting up in business. Despite this, there remains a disparity between men and women's participation in the labour market which, if tackled, could have a significant impact on the economy. For example, in Wales the gender pay gap in 2018 – as measured by the difference in the median gross weekly pay for full-time work – was 14 percentage points. Estimates from McKinsey & Company (2016), suggest that the pay gap costs the UK economy £150 billion per year in lost output since women are disproportionately located in less productive jobs and are less likely to be in jobs in any case. In addition, according to a joint survey commissioned by EHRC and the Department for Business, Innovation and Skills and carried out in 2016 71% of mothers in Wales reported having had a negative or possibly discriminatory experience during pregnancy, maternity leave or on their return from maternity leave. Nevertheless, nearly half of mothers in Wales (48%) reported this experience had a negative impact on their opportunities for development, their status within the organisation and/or their feelings of job security. To maximise women's contribution to the economy, action needs to be taken to address the range of barriers that prevent women from participating in the labour market.⁷

Our experience is that there is a significant lack of understanding about the gendered nature of poverty and the need for specific programmes to alleviate this in Wales. Despite the Welsh Government's positive rhetoric in this area – which is welcome, gender is not adequately considered when developing policy. For example, the Employability Strategy did not take a cohort-based approach – suggesting a wider lack of understanding about the different, and additional, barriers faced by women and what this means for policy development; for example, whether a proposed policy would further embed inherent gender biases in Welsh society.

- How evidence is driving Welsh Government priority setting and budget allocations

Welsh Government has a long-standing commitment to gender equality in its work. This has been underpinned by the duty in the Government of Wales Act and in the Public Sector Equality specific duties in Wales. However, Oxfam Cymru is concerned about the lack of gender sensitivity demonstrated in Welsh Government approach to policy and strategy despite evidence they have received.

Women are more likely to be in poverty than men, and this is a manifestation of inequality within Wales. Women, men, girls and boys often have very different needs and priorities. These differences mean that policies which appear neutral on the surface may have unintended consequences, including increasing gender inequality. For example, entitlements to state benefits and pensions are often tied to full-time paid employment over a lifetime. Women who work in the informal economy, or who do not work full-time all their lives because they have caring responsibilities may not qualify. At the same time, governments base their budgets on those sections of the economy on which data are gathered (the formal, paid labour market and areas which contribute to GDP). When policy is developed, it is these figures that are used, and other relevant factors may be ignored because the data are missing. However, estimates of the unpaid economy show it is worth at least as much if not more than the paid economy. But unpaid caring, cleaning, child rearing and domestic food production are all unmeasured and therefore often not considered when policy is made.

⁷ Fair Work Wales – Report of the Fair Work Commission. Accessible at: <https://gov.wales/sites/default/files/publications/2019-05/fair-work-wales.pdf>

Over the years, the Welsh Government has received a wide-range of evidence, advice, guidance and recommendations regarding women and the economy and how to ensure that women's needs are met through any economic strategy or policy. Indeed, the Welsh Government funds several organisations which explicitly focus on these issues, notably Chwarae Teg, the Women's Equality Network Wales. Indeed, Chwarae Teg have published their second Review of Gender Equality in Wales this week which highlights the ongoing inequalities pervading Welsh society and economy. Several other partners of Welsh Government have also commissioned specific work on women and the economy.

Previous administrations have reported annually on support provided to business and the economy.⁸ This statement outlines the business and associated jobs which interventions have supported. It does not provide any breakdown of that support between women and men.

The Budget Advisory Group on Equality (BAGE), which Oxfam Cymru is a member of, seems to have not been fully active in the past 12 months. The existence of this forum is crucial in allowing the third sector to offer its support and advice, but the meetings must be timely to enable it to inform and influence the budget process, rather than merely comment on process. Oxfam Cymru is keen to see the continuation of this group, or a successor, as a key route for raising the sector's voice in this process.

To enable effective scrutiny, Welsh Government needs to increase the amount of economic data analysed by gender, such as longitudinal pay and start-up creations.

Other areas where data is currently lacking includes information on the accessibility or use of services by refugees, particularly refugee women, which has become apparent in the Welsh Government's Nation of Sanctuary Refugee and Asylum Seeker Action Plan. For example, support organisations know that there are specific barriers for refugee and asylum seeking women in accessing English As a Second Language (ESOL) provision across Wales and that this impedes their ability to effectively integrate.⁹ To our knowledge, Welsh Government has not stipulated the need for gender disaggregation in the monitoring and evaluation of their Asylum Rights Programme delivered by third sector partners which could help to identify issues specific to men or women.

- The Welsh Government policies to strengthen the economy and promote innovation

Evidence from women participating in the Oxfam Cymru Skills for Life project¹⁰ points strongly to the lack of suitable childcare acting as a barrier to both work and personal development, impacting on family relationships, making them feel isolated and affecting their mental health. The key issues identified by the women were:

- In the absence of public funding, childcare has become a business with expensive rates.
- When discussing childcare (at a policy making level), the focus is often on very young (pre-school) children but lack of suitable childcare remains a barrier even when children are in school.
- There are not enough childcare staff trained and child-staff ratios are too high.
- The current childcare system and provision is too complicated to understand.

⁸ Supporting Business and the Economy Annual Statement from the Welsh Government 2015 Evidence to Welsh Government

⁹ <https://www.bbc.co.uk/news/uk-wales-44601828>

¹⁰ Skills for Life – giving women a hand on their journey to employment, Oxfam Cymru, June 2017 <https://www.oxfam.org.uk/cymru/blog/2017/06/skills-for-life>

- The current system of tax credits only covers a proportion of childcare costs, which does not leave women with enough money to have a decent life.

It is crucial that the Welsh Governments' childcare offer be developed in a way which does not accidentally exclude women who work outside the traditional 9-5 weekday environment. Any future assessment of the offer should review the policy on this basis. Childcare provision to help women access training and development should be equally easy to access as that for work.

Welsh Government's budgetary decisions should reflect the economic value of the contribution made by carers. In the UK this contribution now stands at £132 billion per year, £15.1 million an hour. This contribution is also growing – the 2015 figure is 7% higher than the figure for 2011. This is mostly because carers are providing more hours of care (82%), and partly due to the increased hourly cost of paid homecare (18%). The figures mean that, in 2015, the value of the contribution made by the UK's carers saves the public purse enormous sums every week, day and hour of the year: £2.5 billion per week, £362 million per day, £15.1 million per hour.

In addition, to unpaid care, a YouGov poll conducted in 2015 found that paid care was rated as the most underappreciated profession in the UK, with 75% of respondents considering care work to be insufficiently rewarded. This is supported by a recent survey undertaken by National Association of Care and Support Workers in 2019 found the following alarming findings:

- 32.6% of respondents disagreed or strongly disagreed that their care worker pay enabled them to pay for bills and food
- 59.8% disagreed or strongly disagreed that their pay enabled them to pay for an annual holiday
- 64.6% disagreed or strongly disagreed that they earned enough for a good quality of life
- Only 16.1% said they have sufficient savings for emergencies
- 57.9% said they worried all the time or quite frequently about how much their care worker pay would be next month

¹¹

The gendered nature and economic contribution of both unpaid and paid carers should be recognised by the Welsh Government through its policies and budgetary decision making

- How the Future Generations Act is influencing policy making

The budget is one of the key mechanisms by which the Welsh Government can show leadership in driving through the major changes required by the Well-being of Future Generations (Wales) Act 2015. As such, it is essential that we see a budget process that fundamentally changes the way finances are allocated to effectively implement the Act. There was little evidence of these changes in either the 2017-18 or 2018-19 budget allocations.

In declaring a "climate emergency", is it clear how the Welsh Government intends to respond and resource that challenge

We are aware that the Welsh Government has committed to achieving a carbon neutral public sector by 2030 and has published a Prosperity for All: A Low Carbon Wales policy; however we remain uncertain as to the detailed financing and resourcing of these

¹¹ NACAS 2019 Well Being Survey

commitments. We would like to see the plan for 2021-26 receive the necessary investment to go significantly further in tackling this emergency

Oxfam Cymru is willing to meet with Committee members or Welsh Government officials to discuss this response in more details, and provide further information if required.



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Q1. What, in your opinion, has been the impact of the Welsh Government's 2017-18 budget?

The phasing out of the Communities First programme began during the 2017-18 budget cycle. The uncertainty of what happens after Communities First has had a significant impact on those involved in delivering the existing programme and the communities they support. The Welsh Government intends to embed work to tackle poverty across all policy areas and therefore this needs to be adequately reflected in the budget of all portfolio holders from 2018 onwards.

Oxfam Cymru believes that any successor to Communities First should use an asset-based approach to poverty alleviation. We outline the advantages of this on page 4 of this response.

Q2. What expectations do you have of the 2018-19 draft budget proposals?

As part of Oxfam Cymru's core mission to overcome poverty, we believe there are some areas of spending that must be reflected in the budget proposals.

Firstly, as a member of the Sustainable Development Alliance, Oxfam Cymru expects to see the Welsh Government budget reflect the goals and principles embedded in Welsh law by the Well-being of Future Generations (Wales) Act 2015. The Act requires all Welsh public bodies, including the Welsh Government, to act in accordance with the sustainable development principle. Given that the budget underpins the actions that Welsh Government will take in the next twelve months the budget must also work in accord with the principles. In general terms this means we would expect to see:

- A clear shift in expenditure towards programmes aimed at preventing problems occurring
- Financial arrangements, such as pooled budgets, that encourage and require collaboration among Welsh Government departments or among public bodies and facilitate the achievement of multiple well-being goals
- An emphasis on addressing long term problems such as tackling poverty and climate change

It is essential that such shifts in monetary allocations, and the reasons for them, are clearly explained in the narrative accompanying the budget, so that public bodies in receipt of funding are fully aware of how they will also need to change their approach to budget setting.

Secondly, it is essential that the Wales for Africa budget is protected within the overall budget. This will show Welsh Government's ongoing commitment to international development and also supports delivery of Wales as a globally responsible nation under the Well-being of Future Generations (Wales) Act 2015. Wales for Africa activities are beyond the remit of climate change mitigation and adaption activities and hence not part of that budget line.

Finally, Oxfam Cymru welcomed the Equality, Local Government and Communities Committee inquiry report '*I used to be someone*' and was encouraged by Welsh Government's response to this. Finance is obviously a critical issue in any re-invigorated approach so it is essential that ELGC Committee members scrutinise the relevant spending lines as part of the 2018-19 budgeting process to ensure the costs of delivering on the inquiry recommendations are covered. For example, some of the key costs arising from the ELGC inquiry include support to expand ESOL provision, fund university fees, expand the role of community cohesion co-ordinators, address needs in mental health, of the destitute and of unaccompanied asylum seeking children and ensuring (the re-named) Asylum Rights programme has sufficient provision of legal advice and mental health support.

Q3. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

**- Approach to preventative spending and how is this represented in resource allocation
(Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)**

To eradicate poverty and economic inequality in Wales, there is a clear moral and monetary case for prioritising preventative spending. For example, the death rate among children living in the most

deprived fifth of Wales is 70% higher than those living in the least deprived fifth.¹² The Welsh Health Survey demonstrates significant correlations between mental illness and deprivation; in the most deprived areas 18% of people report mental illness, while only 9% did so in the least deprived areas.¹³

Similarly, children from deprived backgrounds will be over a year behind in their vocabulary by the time they are five-years-old, are more likely to fail to achieve expected levels by the end of primary school and are over five times more likely to become NEET (not in education, employment or training) when compared with children from less deprived backgrounds.¹⁴

For all these reasons, tackling economic inequality and poverty must be a top priority for Wales and needs a whole government approach. We need to see clear evidence within the budget of resource allocation to tackle poverty across all departments.

If female employment levels in the UK matched those in other countries the UK GDP would be raised by 9%. A particular focus on gender mainstreaming is needed to improve the situation of women by undertaking gender budgeting and gender impact assessments, which will significantly improve labour market outcomes in terms of poverty reduction (and the accompanying increases in social mobility and living standards).

Gender budgeting implies that in all budget programmes, measures and policies, revenue or expenditure should be assessed and restructured to ensure that women's priorities and needs are taken into account on an equal basis to those of men, the final aim being to achieve equality between men and women. The European Parliament emphasises that gender budgeting does not aim to produce separate budgets for women, but rather, influence the public budgets as they are not gender-neutral, as they have a different impact on women and men both from the revenue and from the expenditure perspective.¹⁵

- Sustainability of public services, innovation and service transformation

The Well-being of Future Generations (Wales) Act 2015 puts a clear obligation on all public bodies to ensure that Wales is a globally responsible nation. In Oxfam's view, procurement is a key lever for achieving this. Higher expectations need to be placed on businesses to be responsible employers, particularly in return for the array of state support that they receive, and in the delivery of public contracts. The budget needs to drive sustainable and ethical action by businesses that are supported by public bodies in relation to their activities domestically and internationally.

We also believe that the Welsh Government can lead by example on this. For example, all Welsh Government contracts and buildings can switch to sustainable products including: MSC certified fish, FSC certified timber and paper products, and Fair Trade tea, coffee, sugar, cotton and rice. By using

¹² Public Health Wales (2015) "Child Death Review Programme Annual Report 2015" [http://www2.nphs.wales.nhs.uk:8080/ChildDeathReviewDocs.nsf/85c50756737f79ac80256f2700534ea3/dfc42877da71d3b380257e7e002e0a71/\\$FILE/CDR%20Annual%20Report%202015%20\(Eng\).pdf](http://www2.nphs.wales.nhs.uk:8080/ChildDeathReviewDocs.nsf/85c50756737f79ac80256f2700534ea3/dfc42877da71d3b380257e7e002e0a71/$FILE/CDR%20Annual%20Report%202015%20(Eng).pdf)

¹³ Welsh Health Survey data cited in Oxfam Cymru (2015) "The Welsh Doughnut: A Framework for environmental sustainability and social justice" <http://policy-practice.oxfam.org.uk/publications/the-welsh-doughnut-a-framework-for-environmental-sustainability-and-social-just-346207>

¹⁴ Welsh Government figures cited in Wales Centre for Equity in Education (2014) "Good news...What schools in Wales are doing to reduce the impact of poverty on pupil's achievement" <http://www.cscjes.org.uk/getattachment/Knowledge-Bank/Closing-the-Gap/Good-News-What-schools-in-Wales-are-doing-to-reduce-the-effect-of-poverty-on-pupils-achievement.pdf.aspx>

¹⁵ European Parliament resolution on gender budgeting <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P5-TA-2003-0323+0+DOC+PDF+V0//EN>

contract management techniques, businesses can be pushed to lower their carbon emissions and move towards carbon neutral fleets and premises. The Welsh Government should exemplify good practice for their own carbon neutral premises, including ideas like microgeneration on all authority buildings and rain water harvesting.

- Welsh Government policies to reduce poverty and mitigate welfare reform

Oxfam Cymru expects the draft budget to confirm Welsh Government's commitment to tackling poverty by ensuring sufficient financial allocation across all departments. The Welsh Government set out a series of claims within "Taking Wales Forward 2016-2020"¹⁶ and in its Programme for Government promised to look at the living wage and poor employment practices, but tackling poverty was not mentioned. Since the announcement of the phasing out of Communities First in February 2017 there has been a lack of further information of what happens next.

Oxfam Cymru want to see a commitment to reducing poverty in Wales with a renewed action plan centred on a Sustainable Livelihoods Approach (SLA)¹⁷ with budget allocation attached. The evidence from Oxfam Cymru's programme work shows that key to supporting people back into work, and helping them sustain that employment, is taking a holistic approach – not only to the individual, but to their family and wider situation. An individual starting a new job may have knock-on implications for other family members, for example, tax credits may be affected, and those who require care may need their situation reconsidered, and so on. It is often the case that an individual may face multiple barriers to employment – not only their own health and wellbeing, but that of their dependents. Key for many individuals is building confidence and self-esteem, in parallel to any skills development or training they may need. If an individual has been out of employment for many years, starting employment may be a huge cultural shift for them.

The SLA has been used across Wales through Oxfam's Building Livelihoods and Strengthening Communities in Wales project. Not only does evidence from this project show that individuals have been able to affect transformational changes in their livelihoods, there was also a significant (£4.43:£1) social return on investment.¹⁸ Since 2016, Oxfam Cymru has been running a DWP and Oxfam Livelihoods training project which has reached almost 40% of the Wales DWP workforce. Early indications from an independent evaluation by Salford University are that the social return on investment from this project will exceed £6:£1.

The economy should prioritise decent work. Oxfam's report from Scotland¹⁹ explored what 'quality work' looks like from workers' point of view. In Wales, the Welsh Government can improve and enforce basic employment conditions and create effective employment strategies. They can also establish a 'Business Pledge' model, similar to Scotland's approach, where the Pledge is a commitment by accredited companies to adopt fair and progressive business practices, based around various components. Better labour market data is also essential to understand the extent to

¹⁶ Taking Wales Forward 2016- 2020 <http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf>

¹⁷ The Sustainable Livelihoods Approach: Toolkit for Wales <http://policy-practice.oxfam.org.uk/publications/the-sustainable-livelihoods-approach-toolkit-for-wales-297233>

¹⁸ Oxfam (2016) Building Livelihoods and Strengthening Communities in Wales: Value Analysis Report <http://policy-practice.oxfam.org.uk/publications/final-evaluation-building-livelihoods-and-strengthening-communities-in-wales-pr-615933>

¹⁹ Oxfam (2016) Decent work for Scotland's low paid workers – a job to be done <http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotlands-low-paid-workers-a-job-to-be-done-619740>

which people's needs are being met. This can all be enhanced through the Welsh Government's Code of Practice for Ethical Employment in Supply Chains.²⁰

Decent work should also come with a decent wage; Wales can be a Living Wage Nation (using Living Wage Foundation rates of pay) by ensuring that Welsh public bodies are Living Wage employers and using all levers such as procurement and grant funding to incentivise employers to provide decent work, including payment of the Living Wage.

Oxfam Cymru welcomed Welsh Government's approach to mitigating the impacts of welfare reform on people living in Wales through provision of the Discretionary Assistance Fund (DAF) and the Council Tax Reduction Scheme. There needs to be ongoing scrutiny of the DAF to ensure that people living in poverty have access to the assistance it is meant to provide and to ensure that the recommendations for improvements in the 2015 evaluation report have been effectively implemented.²¹

- How the Welsh Government should use new taxation and borrowing powers

Fuel poverty is a major health risk to vulnerable people; National Energy Action estimates *"over the next 15 years over 7000 vulnerable people in Wales will die needlessly due to the cold and the national health services in England and Wales will need to spend in excess of £22 billion treating cold related health problems"*.²² A strategy that focuses on vulnerable people's homes – regardless of whether they are owned or rented – is needed to make our houses warmer and healthier.

A large-scale energy efficiency programme across Wales would provide opportunities to upskill and re-skill those in the construction sector, as well as boost the quality of Wales' housing supply. These schemes need to easily apply to both social and private housing. A WWF Cymru report has shown that by bringing all the least efficient houses in Wales up to a rating of D it would *"reduce greenhouse gas emissions from the housing sector by 40% and reduce the number of households in fuel poverty by 40%."*²³

If financing such a programme is difficult then as a capital investment project Welsh Government could use new borrowing powers to help fund the work.

- How the Future Generations Act is influencing policy making.

Oxfam Cymru is concerned that the Welsh Government is failing to effectively embed the five ways of working stipulated by the Wellbeing of Future Generations (Wales) Act 2015. In the development of Welsh Government's four cross-cutting strategies to implement the Act there has been little collaboration or involvement with external partners and no public consultation. This is not consistent with previous commitments from the Finance & Local Government Secretary who said in

²⁰ Welsh Government (2016) Code of Practice for Ethical Employment in Supply Chains
<http://gov.wales/docs/dpsp/publications/valuewales/170309-ethical-en.pdf>

²¹ Welsh Government (2015) Evaluation of the Discretionary Assistance Fund
<http://gov.wales/docs/caecd/research/2015/150128-evaluation-discretionary-assistance-fund-summary-en.pdf>

²² <http://www.nea.org.uk/media/news/new-report-calls-for-greater-investment-to-tackle-fuel-poverty-in-wales/>

²³ WWF (2012) Cutting carbon in Welsh homes – a twin track approach
http://assets.wwf.org.uk/downloads/cutting_carbon_emissions_in_welsh_homes.pdf

a written statement²⁴ on the wellbeing objectives that they “*will be tested further through the development of the strategies and will engage businesses, public bodies, people and communities in this important work.*”

It’s important that the Welsh Government shows leadership in implementing the framework of the Wellbeing of Future Generations (Wales) Act 2015 and there needs to be coherence across policy areas. It is crucial that the seven well-being goals within the Well-being of Future Generations Act are financed on a scale that matches their ambition. For example, since business and poverty reduction objectives do not automatically align, the public sector will need to ensure that partnerships with the private sector prioritise poverty reduction and are subject to robust environmental and social safeguards reflecting international best practice.

When the four cross-cutting strategies are published soon, we would like to see them include an analysis of how funding will work in this cross-departmental context.

²⁴ <http://gov.wales/about/cabinet/cabinetstatements/2016-new/wellbeingobjectives/?lang=en>