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Minister for Finance and Trefnydd

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Deputy Minister & Chief Whip

John Griffiths AM
Chair of the Equality, Local Government and Communities Committee



Llywodraeth Cymru
Welsh Government

24 February 2020

Dear John,

Thank you for your letter of 21 January enclosing a copy of the Committee's report on the Draft Budget 2020-21.

We would like to thank members of the Committee for their report. The attached paper sets out our response to the report's eight recommendations.

Yours sincerely,

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Rebecca Evans AM
Minister for Finance and Trefnydd

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Deputy Minister 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.

Welsh Government Response to the Recommendations from the Equality, Local Government And Communities Committee Report: Scrutiny of the Welsh Government Draft Budget 2020-21

LOCAL GOVERNMENT SETTLEMENT

CAPITAL FUNDING

Recommendation 1. We recommend that the Welsh Government set out what actions it is taking to ensure that information is easily accessible to the public on the support that is available to make improvements to their home in relation to reducing the carbon footprint of their home

Response: Accept

The Welsh Government's Warm Homes Programme Nest Scheme provides home energy efficiency advice to people about improving the thermal and energy efficiency of their homes. The service provides advice to support our efforts to reduce the cost of domestic energy as part of our action to reduce fuel poverty and to reduce carbon emissions from homes in Wales. The Welsh Government will be consulting on a new draft plan to tackle fuel poverty, which will set out how we intend to support people out of fuel poverty and meet the climate change emergency in the years ahead.

WORKFORCE PRESSURES

Recommendation 2. We recommend that the Welsh Government provide us with an update in autumn 2020 on the actions being taken to address pay, terms and conditions and status of those employed in the social care sector outside the NHS.

Response: Accept

The Welsh Government would be happy to provide an update on the actions that we are taking to address pay, terms and conditions and the status of those employed in social care in the autumn.

The Welsh Government is considering how best to strengthen its approach to public sector pay and conditions. The aim is to take a more coherent and consistent approach to pay policy and strategy, in line with our wider strategic aims. In support of this we are currently consulting on a set of principles we have developed to underpin a new approach to public sector pay, without infringing on existing collective bargaining arrangements between employers and trade unions.

LEGISLATION

Recommendation 3. We recommend that the Welsh Government ensure that in the preparation of RIAs for proposed legislation that lessons learnt through scrutiny and implementation of previous legislation are acted upon.

Response: Accept

The Welsh Government recognises that the effective financial scrutiny of a Bill requires a robust assessment of costs and benefits. Clarity over costs is important for the Welsh Government and for our delivery partners, which is why we consult and engage with stakeholders to ensure our decisions are informed by the people who will be affected by them.

The RIA guidance in the Legislation Handbook has been revised twice during the current Assembly term to reflect lessons learned during the scrutiny and development of previous legislation. The inclusion in the guidance of a more clearly defined, staged approach to the development of RIAs (one part of which is the inclusion of a draft RIA as part of the consultation exercise) reflects our recognition of the importance of engaging with stakeholders. The latest version of the Legislation Handbook (published in May 2019) also reflects the recommendations made by Finance Committee following the 2017 inquiry (Inquiry into the financial estimates accompanying legislation).

In addition to updating the formal guidance, there are a number of other routes through which lessons learned in developing an RIA for one piece of legislation can be shared across the organisation in a timely manner. These routes include the regular meetings of the Cross Directorate Group on Legislation and the training and support provided by Welsh Government economists to policy teams.

HOUSING AND REGENERATION

HOMELESSNESS

Recommendation 4. We recommend that the Welsh Government increases the allocation of funding to the Housing Support Grant and the Homelessness prevention budget line in the 2020-21 budget to ensure that the Welsh Government's ambition on reducing homelessness to be rare, brief and unrepeated can be delivered.

Response: Accept in principle

In the face of successive cuts to our budget, we have protected our housing related support budgets as far as possible against the worst impacts of austerity.. We are aware of calls from the sector for increased funding for the Housing Support Grant and Homelessness prevention. We fully support the need to ensure that services to prevent people losing their homes and enable them to thrive in their homes are adequately funded. The Minister for Finance and Trefnydd has stated that if there is

additional funding available to the Welsh Government next year following the UK Government budget scheduled for March, she hopes to be able to indicate in the debate on the final Budget where those priorities would be. Our work to tackle and prevent homelessness in all its forms will be an important consideration in that context.

Recommendation 5. We recommend that the Welsh Government provide a firm commitment that if the Homelessness Action Plan has actions which require additional funding, that this funding is provided by the Welsh Government.

Response: Reject

The work of the Homelessness Action Group is yet to complete and as such it is not possible to make unquantifiable funding commitments. The Welsh Government commissioned the Homelessness Action Group to assist us in achieving the goal of ending homelessness, an endeavour to which we are fully committed. The reports of the Homelessness Action Group will inform our first action plan to sit under our Strategy for Preventing and Ending Homelessness and we will give careful consideration to the resources required to fully implement the Action Plan.

Recommendation 6. We recommend that the Welsh Government ensure effective monitoring of the outcomes of spend relating to youth homelessness services to ensure the effective delivery of these services, and in particular those services supporting young people as they transition to adult support services.

Response: Accept

The Welsh Government remains committed to preventing all forms of homelessness, including amongst young people. As set out in our Strategy for Preventing and Ending Homelessness, early intervention and prevention is crucial to achieving the goal of ending homelessness and youth homelessness, as well as wider education, youth and social services have a key role to play. The Welsh Government invested an additional £10m into youth homelessness prevention in 2019-20. This has enabled the development of new projects, as well as enhancing existing activity and services. As part of our grant funding, all projects are required to provide outcomes data to ensure the effective delivery of services.

In 2019-20 we established a £4.8m innovation fund, which is supporting 26 projects to deliver new and innovative housing and support approaches for vulnerable young people between the ages of 16 and 25, at risk of becoming homeless or currently homeless. As these are new projects, we recognise the need to evaluate their impact and ensure they are effective in supporting young people to both avoid and escape

homelessness. An independent evaluation of these projects will begin in March 2020.

In recognition of the importance of early identification and support, in a joint initiative between Housing and Education, we invested an additional £3.7m into the Youth Support Grant. This funding is being used to strengthen the existing Youth Engagement and Progression Framework, currently used to identify young people not in education, employment or training (NEET), to also identify those at risk of becoming homeless and put in place the necessary support. An independent evaluation of this work will commence in 2020-21, to support the further development and enhancement of the framework.

Welsh Government recently launched a communications campaign in collaboration with Shelter Cymru to raise awareness of hidden homelessness and the support available – both to young people and professionals. This campaign will be evaluated in line with the Government Communications Service (GCS) Evaluation Framework. Several measures will be used to assess the response to the campaign including visits to the Shelter Cymru website; enquiries to Shelter Cymru advice services; and public awareness of the campaign and understanding of the issue of hidden homelessness.

POVERTY REDUCTION

Recommendation 7. We recommend that the Welsh Government provides us with a breakdown of the number of DAF applications received; accepted, and declined in 2019-20, including the grounds on which applications were declined.

Response: Accept

From April 2019 to December 2019, the Discretionary Assistance Fund (DAF) has provided £9.04m in grant aid having received 119,188 applications during this time. These are broken down as follows:

- 53,268 awards made
- 61,136 applications declined
- 4,784 applications withdrawn, pending (further information required), or being processed at month-end

Each application must meet the DAF eligibility criteria before an award can be made. The main reasons applications have been declined are:

Reason application declined	Total (April to December)
Does not meet IAP qualifying condition	8,926
Incomplete application	17,849
Reached maximum awards	8,242
Failed identify checks	6,597

Other *	19,522
Total	61,136

* Applications are declined for a variety of reasons including repeat applications within 28 days, applying for items/reasons which aren't applicable and for help with ongoing costs which are out of scope of the DAF criteria.

Recommendation 8. We recommend that the Welsh Government provides details of all the Communities First projects receiving legacy funding and what work is being done to support them to become self-sustaining.

Response: Reject

The Communities First programme closed in March 2018. A Legacy Fund was created, awarded to the 19 local authorities who were eligible for Communities First Funding. The Legacy Fund could be used to support any projects which the Local Authorities wanted to continue. From April 2019 the Legacy Fund became part of the Children and Communities Grant, which offers local authorities the flexibility on how they spend funding across all 7 programmes contained within the grant. They do not specifically have to spend this funding on legacy projects nor do they report on whether a project was previously a Communities First project

Since the Children and Communities Grant was introduced across all local authorities last year, some projects funded by Legacy Fund may be a continuation of those that existed under Communities First. However many are new or have been restructured to continue to respond to evolving needs - as decided by each local authority.