

National Assembly for Wales
Children and Young People Committee

Scrutiny of the Welsh Government's draft
budget, 2010-2011

November 2009



**Children and Young People Committee:
Scrutiny of the Welsh Government's draft budget, 2010-2011**

Background

1. In accordance with Standing Order 27.3, the Committee considered the draft budget 2010-11 at its meeting on 13 October 2009, scrutinising Jane Hutt AM, Minister for Children, Education, Lifelong Learning and Skills.

2. The Minister also provided written evidence, which can be found on the Committee's website at: <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-cyp-home/bus-committees-third-cyp-agendas.htm>

3. A short report of the Committee's considerations and recommendations follows.

Issues raised with Minister for Children, Education, Lifelong Learning and Skills

4. The Minister welcomed the opportunity to present her budget to Members.

5. In scrutinising the Minister, the Committee sought clarification and further details on the following issues:

- a) What tough decisions have been taken in preparing the draft budget in relation to children and young people.
- b) How the draft budget reflects Commitment 110 of the *One Wales Delivery Plan* document which aims to 'Progress provision of universal childcare with additional support, including extended free full time high quality childcare for 2 year olds in greatest need.'
- c) Whether the draft budget is transparent, and open for analysis and scrutiny, in terms of spend on children and young people.
- d) Whether the introduction of a new planning and reporting system, which had resulted in the Government's budgets being restructured, had been a missed opportunity to take forward its commitment to children's budgeting.
- e) Whether the Minister was confident that the draft Budget contained sufficient funding, across all Main Expenditure Groups, to make progress on the *One Wales* commitments to tackling Child Poverty.
- f) Whether the Minister was confident that the draft Budget contained sufficient funding to address the financial implications associated with the Child Poverty ambitions of the proposed Children and Families (Wales) Measure.
- g) Clarification on the meaning of the Minister's comments that the draft Budget contained sufficient funding for 'promoting inclusion, reducing disadvantage and tackling poverty of educational opportunity.'

- h) Clarification on how services for children with additional learning needs and disabilities, which had been provided with additional funding in the draft budget, would be assessed in terms of impacting on the wide range of services which are relevant to disabled children and young people.
- i) Whether there would, in the 2010-11 budgetary allocations, be ring fenced money for child and adolescent mental health services, separate from adult mental health funding.
- j) Whether the Minister considered the additional £1.5 million allocated 'Support for Learners' budget to be sufficient for delivering DCELLS stated objective of providing a counselling service available to all children and young people.
- k) Clarification on how the Draft budget reflected the Children and Young People Committee's recommendations in its report on 'Parenting in Wales, and the Delivery of the Parenting Action Plan.'
- l) Clarification on what progress the Minister expected the National Advocacy Unit to achieve in 2010-11, in terms of delivering the aims of the National Advocacy Project.
- m) Whether the Minister considered the draft budget for the Inclusion Grant, of £1 million in 2010-2011, was sufficient to adequately promote the inclusion of all children living in Wales, including refugees and asylum seeking children.
- n) How the findings of the SpREE exercise had impacted on children and young people focussed actions in the draft budget.

Issues of concern to Members:

Transparency of planned spending

6. Following the restructuring of the budget structure and the change from Budget Expenditure Lines (BELs) to "Actions", Members were concerned that the evidence as presented did not make clear which individual initiatives would be most affected by the overall decrease in the budget available to the Children, Young People and School Effectiveness Spending Programme Area.

7. Whilst Members welcomed stated budget increases, such as the additional £1.5 million to provide a counselling service to all children and young people, and the additional £0.5million for the National Advocacy Unit, there was concern that there was a lack of clarity as to where budget decreases would have an impact on provision to children and young people.

Clarity on sources of efficiency savings

8. In respect of efficiency savings, Members wanted further detail of how such savings were being achieved as they could affect children and young people.

9. For example, Members questioned whether the SpREE exercise had enabled £600 million worth of “true efficiency savings and not simply either the retraction of under-spends because policies have not been able to be carried through for which sums have been allocated due to either time frame, lack of staff or trying to get so many projects off the ground.”¹

10. In response, the Minister asserted that “we have looked to our own delivery. We have taken money off promotion, publicity and budgets. I have said everything must go that we can do without. It has to go to the front line.”²

Transparency of spending on children and young people

11. Members noted that while the additional evidence provided by the Minister was helpful in clarifying some of the planned spending on children and young people across other Ministerial portfolios, they remained concerned at the lack of overall transparency on relevant planned spending.

12. Members also noted that the issue of transparency was raised with the Minister in the previous Budget Scrutiny 2008. Members welcomed the Minister’s evidence on the work of the Welsh Statistical Directorate in progressing analysis of the proportion of the Welsh Government budget spent on children. However, to date, work in progressing analysis of spending was not in a form which would significantly assist Members in their scrutiny role, and as such Members were concerned at the potential for disconnect between retrospective analysis of Children’s Budgeting, and forward budget planning.

Co-ordination of planned spending on children and young people

13. In her evidence the Minister referred to the Cabinet Sub-Committee on Children and Young People as an arena in which spending on children and young people across Welsh Government portfolios is discussed, commenting that through her “chairing of that committee... [I have been able]... to steer the prioritisation of our policies across the Welsh Government.”³

14. Members were concerned that given the time constraints on such meetings, this could potentially make it unsatisfactory as a formal budget planning mechanism and could inhibit the Minister in meaningfully engaging with, and influencing, spending in other relevant portfolios such as the Department for Health and Social Services spending on Child and Adolescent Mental Health Services.

15. However, the Minister argued that the Cabinet Sub-Committee had enabled the prioritisation of Childcare and Child Poverty, demonstrated through the increased funding for Flying Start, for example.

¹ Record of Proceedings, Children and Young People Committee, 13 October 2009.

² Record of Proceedings, Children and Young People Committee, 13 October 2009.

³ Record of Proceedings, Children and Young People Committee, 13 October 2009.

Coherent spending on Child Poverty

16. Members welcomed the overarching Welsh Government commitment to support the aim of halving child poverty by 2010, and eradicating it by 2020, and also welcomed the range of child poverty related commitments within the One Wales Delivery Plan.

17. Whilst also supportive of the range of funding initiatives across the Major Expenditure Groups, Members noted that a perceived lack of coherent spending on child poverty could be problematic in achieving such ambitious targets, when set against the recent increase in child poverty figures in Wales to 32% in 2009⁴. Members also recognised that a wide range of policies were necessary for tackling Child Poverty, with the Minister noting that a wide range of work, such as youth unemployment, could help address Child Poverty.

18. However, Members considered that a published audit of child poverty spending could assist the Government and others to better prioritise funding, as tough financial decisions would need to be made.

Flying Start and Cymorth

19. Members welcomed the draft budget's increased £7 million for the Flying Start Programme. Members recognised the positive impact of Flying Start, while also noting concerns that the geographic limitations of the programme could potentially prevent people, who were in need of its services, but who lived outside a particular Flying Start area, from accessing them.

20. Members were, however, concerned that the Minister's evidence also detailed a £7.5 million decrease in the Cymorth Programme, with Angela Burns AM questioning whether "you have merely shifted funds from one pot to another."⁵ The Minister argued that the transfer of funding from Cymorth to Flying Start was "in line with the theme of Cymorth, which is about family support, ensuring that families have access to that, and that Flying Start can be supported adequately to meet the catchment areas we have identified."⁶

21. Members requested that the Minister provide a note on the number of free Childcare places currently being provided in Wales, and detail on the number of childcare places that the draft budget would allow.

22. Members noted that it would be useful if additional funding for Flying Start areas might allow increased local flexibility to target marginalised families who fell on the boundaries of the current Flying Start catchment areas.

⁴ Annual HBAI figures (2007/08) released May 2009, indicate that after housing costs are taken into account, 32% of children in Wales were in poverty in 2008, defined as living in households with less than 60% of the UK median income.

⁵ Record of Proceedings, Children and Young People Committee, 13 October 2009.

⁶ Record of Proceedings, Children and Young People Committee, 13 October 2009.

Clear information on ring-fenced monies for Child and Adolescent Mental Health Services (CAHMS)

23. Members sought clarification from the Minister on whether mental health allocations from the NHS Allocations SPA would be protected as separate ring-fenced monies for children and adolescents to that funding provided for adults.

24. Whilst the Minister provided evidence of an indicative budget allocation of £2.184 million within the Health and Social Services Budget for mental health services, Members were concerned that without ring-fencing for the indicative 2010-11 allocations, insufficient money could be spent on CAHMS to fulfil the Welsh Government's priorities for children and young people. The Minister also committed to clarify whether with the Health Minister whether funding for Child and Adolescent Mental Health Services would be ring fenced.

Information on the impact on children of the reduction in the Inclusion Grant

25. In considering issues of equality of opportunity for all children in Wales, Members sought evidence from the Minister on the £300,000 decrease in the generic Inclusion Grant⁷ to £1 million in 2010-11.

26. The Minister and her officials stated that they could not speak about the specifics of this particular Grant, but committed to provide detail in writing. They noted, however that "on the broader issue of grants one of the activities we are looking at on behalf of the Minister is how we strategically review our specific grants and it would be better to look at bigger bundlings of grants to take a much more strategic view." Members welcomed this wider issue in principle, as it could create less of a bureaucratic burden in applying for multiple grants.

27. However, within the context of the Inclusion Grant being a generic fund which targets all ages, and covers Refugees, Asylum Seekers, Migrants, Gypsies and Travellers, Members were concerned that such funding could be inadequate for promoting the inclusion of all children and young people in Wales.

Funding for key services for children and young people affected by domestic abuse, including children and young people workers in refuges

28. Members expressed concern that the draft budget needed to provide adequate core funding for key services for children and young people affected by domestic abuse, including children and young people workers in refuges and outreach workers for children and young people who have moved on from refuge accommodation. Members expressed concern that funding currently provided through Welsh Women's Aid is not intended to be used to meet this specific

⁷ The Grant was originally established in 2002 to fund Refugee and Asylum Seeking voluntary sector organisations. Since that time the Inclusion Grant remit has expanded and now covers Refugees, Asylum Seekers, Migrants, Gypsies and Travellers.

purpose, and would therefore not be a substitute for funding provided in previous financial years by voluntary sector organisations.

Further Information

29. The Minister undertook to provide the Committee with:

- Detail on the number of additional childcare places which will be provided as a result of the increase of £7 million in the funding for the Flying Start Programme.
- The Minister, after clarifying with the Minister for Health and Social Services will write to the Committee with further details on whether in the 2010-11 allocations there will be ring-fenced money for children and adolescents separate from adult mental health funding.
- The Minister will write to the Committee with more details on the anticipated impact on children of the reduction in the Inclusion Grant, compared to the supplementary budget 2009-10, within the Social Justice and Local Government Spending Programme Area.

Recommendations

Members recommended that:

1. The Welsh Government publish an audit of child poverty spending, to assist it and others, to better prioritise funding.
2. As a result of additional funding for Flying Start, the Welsh Government ensure that there is increased local flexibility for Flying Start co-ordinators to target marginalised families who fall on the boundaries of the current Flying Start catchment areas.
3. The Welsh Government ring fence funding for child and adolescent mental health services, within the overall funding for mental health services.
4. The Welsh Government ensure that the draft budget provides adequate core funding for key services for children and young people affected by domestic abuse, including children and young people workers in refuges and outreach workers for children and young people who have moved on from refuge accommodation.