

**National Assembly for Wales**  
Children and Young People Committee

Consideration of Welsh Government  
draft budget 2011–12

December 2010



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Children and Young People Committee

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draft budget 2011–12

December 2010



## Children and Young People Committee

The Children and Young People Committee was appointed by the National Assembly for Wales to consider and report on issues affecting children and young people in Wales.

In particular, the Committee may examine the expenditure, administration and policy of the Welsh Government and associated public bodies and consider reports of the Children's Commissioner for Wales.

Often adults do not take the views of children and young people seriously. As politicians, we have a responsibility to encourage children and young people to voice their opinions and to listen to them. The Children and Young People Committee was established to help do that.

### Powers

The Committee was established on 16 October 2007 when a motion to establish it was agreed in plenary. It will exist for the whole of the Third Assembly. Its powers are set out in the National Assembly for Wales' Standing Orders (SOs), particularly SO 21. These are available at [www.assemblywales.org](http://www.assemblywales.org).

### Current Committee Membership



**Helen Mary Jones  
(Chair)**  
Llanelli  
Plaid Cymru



**Eleanor Burnham**  
North Wales  
Welsh Liberal Democrat



**Sandy Mewies**  
Delyn  
Labour



**Jonathan Morgan**  
Cardiff North  
Welsh Conservative Party



**Joyce Watson**  
Mid and West Wales  
Labour

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## The Committee's Recommendations

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The Committee's recommendations to the Welsh Government are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

**Recommendation 1.** The Committee recommends that in future years, the Children and Young People Cabinet Sub-Committee are involved in budget allocation discussions at a much earlier stage in order to better facilitate its strategic role of implementing the UNCRC and the seven core aims. (Page 8)

**Recommendation 2.** The Committee calls on the Deputy Minister to work with local authorities to eliminate any remaining doubt with regards to Cymorth funding streams for 2011-12 and to ensure that local authorities are fully aware of the transitional arrangements. (Page 11)

**Recommendation 3.** The Committee recommends that the Deputy Minister revises the decision to split the children and families organisational grant between Health and Social Services Department and the Children, Education and Lifelong Learning Services departments in 2012-13. (Page 12)

**Recommendation 4.** The Committee recommends that the Welsh Government monitors the soft ring fencing approach closely in 2011-12, and takes steps to enable greater ring fencing if necessary to the funding streams to education and social services. (Page 13)

**Recommendation 5.** The Committee recommends that the Welsh Government closely monitors the thresholds for receipt of services, in particular child protection thresholds, applied by local authorities across Wales. Furthermore, clear guidance should be issued by April 2011 containing definitions of 'vulnerable' and the minimum child protection thresholds that should apply. (Page 14)

**Recommendation 6.** The Committee recommends that the Deputy Minister writes to all local authorities in Wales to remind them of the importance, effectiveness and value of early intervention services for children, young people and families and to remind local authorities

that cuts to these services could be costly both to families in crisis, and in financial terms for local governments in the future.

(Page 15)

## Background

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1. The Children and Young People Committee recognises that Wales is leading the way on finding solutions to many issues relating to children and young people. The Government's commitment to halve child poverty by 2010 and eradicate it by 2020 is regularly re-iterated by the Deputy Minister for Children and his cabinet colleagues. The fact that a Deputy Minister for Children has been appointed is testament to the will of the Welsh Government to improve the experiences and outcomes for the more than 200,000 children and young people living in poverty in Wales.

2. The Committee also recognised that in times of tight financial settlements, budget cuts are inevitable. The purpose of scrutinising the Welsh Governments draft budget 2011-12 is not to create an opportunity to call for unreasonable resources but to ensure that as budgets reduce, due consideration has been given to the needs of children and young people who make up some of the most vulnerable groups in our society.

3. The Committee took evidence from Leighton Andrews AM, Minister for Children, Education and lifelong Learning and Huw Lewis AM, Deputy Minister for Children. The Committee also took oral and written evidence from Barnardo's Cymru, Action for Children, Children in Wales and NSPCC Wales. Written evidence was received from Save the Children.

# **The Welsh Government's approach to children and young people in its draft budget 2011-12**

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## **Child Poverty**

4. The Committee welcomes the Deputy Minister's assurance of the Welsh Government's resolve to pursue the eradication of child poverty by 2020. The Deputy Minister told the Committee that:

We remain committed to [eradicating child poverty] despite all difficulties that might be thrown our way. It remains the case that we feel very strongly that while a third of Wales' children are being held back because of the circumstances of their birth then the whole of Wales is held back.<sup>1</sup>

5. The commitment has resulted in an updated Child Poverty Strategy being developed by the Welsh Government. This is expected to be published in February 2011<sup>2</sup>

6. In the coming year, local authorities and health boards will be required to draw up child poverty action plans as part of their new obligation under the updated Child Poverty Strategy.

However, the Committee is concerned that explicit references to redistribution through targeting and cross cutting actions to tackle child poverty are absent from the draft budget **United Nations Convention on the Rights of the Child (UNCRC)**

7. The Minister confirmed that although the Children and Young People Cabinet Sub-Committee are tasked with overseeing the implementation of the United Nations Convention on the Rights of the Child (UNCRC) in Wales and the Assembly Government's Seven Core Aims for Children and Young People, it is unable to take a cross cutting view of the draft budget ahead of its publication. This approach would seem to diminish somewhat the ability of the subcommittee to implement the UNCRC or the seven core aims in a holistic way across portfolios.

**The Committee recommends that in future years, the Children and Young People Cabinet Sub-Committee are involved in budget**

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<sup>1</sup> Record of Proceedings of the National Assembly for Wales (RoP), Children and Young People Committee, 30 November 2010, Paragraph (Para) 62

<sup>2</sup> The draft Rights of Children and Young Persons (Wales) Measure

**allocation discussions at a much earlier stage in order to better facilitate its strategic role of implementing the UNCRC and the seven core aims.**

### **Children's budgeting**

8. In its response to the Committee report on children's budgeting, the Welsh Government accepted the Committee's recommendation to publish children and young people's budget statements. However, the Assembly Government has stated its intention to publish such statements every three years, rather than in line with the annual budget scrutiny process. The Committee would welcome a revision of this decision and the publication of a children and young people's budgets statement to accompany each draft budget.

9. Barnardo's Cymru pointed out that children and young people's budget statements are crucial to proper scrutiny at a local level. The Committee concurs with this view and welcomes further work from the Welsh Government to enable and encourage local authorities to participate in children's budgeting in the near future.

### **New legislation in relation to children and young people**

10. The Minister confirmed that the costs associated with implementing new legislation in relation to children and young people are largely administrative at this time and would be met from the Central Administration MEG.

11. The Deputy Minister has committed to consider further funding needs once action plans are in place, although until these costs are known, they cannot be accounted for in indicative budgets for 2012-13 and 2013-14.

### **Support for frontline services**

12. The Minister for Children, Education and Lifelong Learning told the Committee that the draft budget puts:

“Significant emphasis on protecting services for children and young people”<sup>3</sup>

13. In their evidence to the Committee, Barnardo's Cymru, Action for Children, the NSPCC and Children in Wales welcomed the draft budget.

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<sup>3</sup> RoP, Children and Young People Committee, 30 November 2010, Para 5

Catriona Williams, Chief Executive of Children in Wales, stated that she was 'relieved' and felt that provision for children and young people was as good as could be expected' in the current financial situation.

14. However, Barnardo's Cymru pointed out that:

"There has been a 11% increase in the number of referrals to children's social services in the last 3 years, an 8% increase in the number of children placed on the child protection register in the last year and a 10% increase in the number of looked after children in the year up to April 2010. The ADSS Cymru have called for the protection of early intervention services from cuts to avoid increasing the need for statutory intervention. The emphasis on protecting budgets of 'essential' services contained within the Draft Budget and a lack of reference to the importance of early intervention services is therefore of concern.'<sup>4</sup>

15. The Committee is concerned that the increase in demand for children's social services and decrease in real terms of the financial support for such services will inevitably put greater pressure on services. Potential consequences of such pressure are considered later in this report, but it should be noted that increased pressures on families at this time may well lead to an even greater need for support for vulnerable children and parents; it is all the more difficult to meet increased demand for services at a time when budgets are being cut.

## **Cymorth funding and Families First**

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16. The Deputy Minister gave assurances to the Committee that transitional arrangements had been put into place to allow the move from Cymorth funding to the new Families First approach to 'gradually evolve into a more coherent national fund under the term Families First'. The Deputy Minister also made it clear that the money that local authorities had expected to receive in 2011-12 as part of Cymorth funding would be released in full.

17. Barnardo's Cymru told the Committee that despite the Deputy Minister writing to local authorities at Barnardo's behest to assure them of the continuation of funding during 2011-12, they were still

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<sup>4</sup> CYP(3)-16-10 (p2) page 1

experiencing difficulties as a result of local authorities de-commissioning Cymorth funded services from April 2011. The unpredictability of local authority reactions to the change in funding has resulted in job insecurity for staff delivering the Cymorth funded projects, and difficulties in forward planning for those charities developing future services.

18. Ultimately, this uncertainty could result in families falling between provision and missing out on vital support at the appropriate time.

**The Committee calls on the Deputy Minister to work with local authorities to eliminate any remaining doubt with regards to Cymorth funding streams for 2011-12 and to ensure that local authorities are fully aware of the transitional arrangements.**

### **Joined up support**

19. The new Families First approach wraps support around the family, creating joined up support for families that is tailored for their needs. This joined up approach is welcomed by the Committee, and Members look forward to discussing Families First in more detail with the Deputy Minister and his officials in the New Year

20. But Barnardo's Cymru and Children in Wales told the Committee that the splitting of the Children and Families Organisational Grant (CFOG) between the department for Children, Education, Lifelong Learning and Skills (DCELLS) and Health and Social Services (HSS) was outside of the principle of joined up working that Families First promotes.

21. The difficulties caused by splitting the grant includes confusion over where funding for cross cutting projects may lie, the need for additional administrative resources when applying for funding, and the possibility that some projects will simply not access funds as a result.

22. The grant is due to split in 2012-13, allowing for further discussions over the coming year. The Committee feels that for the reasons listed above, and to avoid any additional administrative burden in administrating and applying for financial support under this grant, the decision to split the grant should be reviewed.

**The Committee recommends that the Deputy Minister revises the decision to split the children and families organisational grant between Health and Social Services Department and the Children, Education and Lifelong Learning Services departments in 2012-13.**

## **Getting the money to the right places**

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23. The Welsh Government has sought to protect spending for education and social services by 'soft ring fencing' funding streams.

24. For education, the approach means that the Welsh Government will seek to monitor the spend of the £61 million of the RSG that is intended for schools. The Minister for Children, Education and Lifelong Learning told the Committee that he would monitor school budgets and check with local authorities on how the full allocation had been spent.

25. As part of this approach, the Welsh Government has gained agreement with the Welsh Local Government Association that delegation rates to schools should rise to 80% within two years and 85% within four years.

26. The Committee welcomes the move to ensure that schools have access to a greater proportion of the money intended for them, but has concerns that the soft ring fencing approach may not be enough to protect these funding streams when tough decisions on service provision have to be made by local authorities.

27. The Welsh Government has committed to carry out further work on children's budgeting and it is just that approach that would enable proper focus on the outcomes of local government spend on children and young people.

28. Flexibility for local governments to react in an appropriate way to local needs is important, and it is clear that the Welsh Government seeks to protect such flexibility when soft rather than hard ring fencing funding for schools. However, Jan Leightly, Strategic Director of Action for Children, told the Committee that in her previous role in local government as head of service she had welcomed the hypothecation of Children First funding. Keeping children's budgets streams hypothecated in times of financial pressure is important to

protect children, and to ensure the proper implementation of the progressive policies we have here in Wales.

**The Committee recommends that the Welsh Government monitors the soft ring fencing approach closely in 2011-12, and takes steps to enable greater ring fencing if necessary to the funding streams to education and social services..**

## **Support for the most vulnerable children and young people in society**

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The Committee was concerned to receive anecdotal evidence that in times of diminished resources, thresholds for child protection are often raised. The NSPCC, Children in Wales and Action for Children raised concerns that in times of particular pressure on resources, child protection thresholds were raised and some children that might previously have been supported would now slip through the net.

29. Given the increase in demand for services outlined in paragraph fourteen of this report, the Committee is concerned that a reduction in real terms for the children's social services budget will be insufficient to meet demand.

30. The NSPCC and Barnardo's Cymru also shared its concerns that the draft budget does not contain specific reference to which 'vulnerable groups' it seeks to protect services for, which could result in local authorities interpreting this differently or protecting only statutory children's social services. Barnardo's Cymru were concerned that actions in relation to early intervention support to children and vulnerable families will be side-lined as the language 'frontline' and 'essential' services is interpreted at a local level as the provision of statutory services only.

31. The NSPCC also pointed out to the Committee that reductions made elsewhere in the budget, in both devolved and non-devolved areas, would have a knock on effect on demand for child protection. A higher instance of domestic abuse, drug and alcohol abuse and mental health issues for parents may be realised by increased pressures on families during the recession. Along with cuts to non-devolved services such as youth justice, such a situation would amplify the

pressures already faced by children's social services departments trying to deliver child protection with reducing resources.

**The Committee recommends that the Welsh Government closely monitors the thresholds for receipt of services, in particular child protection thresholds, applied by local authorities across Wales. Furthermore, clear guidance should be issued by April 2011 containing definitions of 'vulnerable' and the minimum child protection thresholds that should apply.**

32. The Committee was disappointed that the Welsh Government has had to revise plans to top up the Child Trust Fund. However, the money set aside for the top-up will now be used to provide a grant of £500 to care leavers to assist them in setting up home, pursuing further education or a range of other things needed to prepare them for an independent adulthood. The Committee welcomes this support for these vulnerable young people.

33. The Committee also welcomes the grant of £200 for disabled children that will be made available through Families First funding streams.

### **Youth homelessness**

34. Cuts in Supporting People funding and Section 180 funding at a UK level may cause difficulties for youth homelessness services which provide vital support to vulnerable young people. The Committee therefore calls on the Welsh Government to offer further support for youth homelessness services in Wales.

### **Early Intervention**

35. Witnesses shared their concerns with the Committee that early intervention work may be seen as an easy cut in difficult times.

36. The Committee has highlighted in past reports the benefits of early intervention which brings better outcomes for children, young people and families and prevents them being escalated up the tiers of support. By relieving pressure on the higher, more expensive tiers of support, early intervention can also save money.

37. The Committee feels strongly that early intervention work should not be seen as an easy target for budget cuts, but should be

recognised as a vital component of the support package offered by local government and its partners.

**The Committee recommends that the Deputy Minister writes to all local authorities in Wales to remind them of the importance, effectiveness and value of early intervention services for children, young people and families and to remind local authorities that cuts to these services could be costly both to families in crisis, and in financial terms for local governments in the future.**

## Witnesses

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The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-other-committees/bus-committees-third-cyp-home.htm>

*30 November 2010*

Leighton Andrews AM	Minister for Children, Education and Lifelong Learning, Welsh Assembly Government
Huw Lewis AM	Deputy Minister for Children, Welsh Assembly Government
Jan Leightley	Strategic Director, Action for children
Des Mannion	Head of Services NSPCC (Wales)
Yvonne Rodgers	Director, Barnardo's Cymru
Catriona Williams	Chief Executive, Children in Wales

## List of written evidence

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The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-other-committees/bus-committees-third-cyp-home.htm>

<i>Organisation</i>	<i>Reference</i>
Welsh Assembly Government	CYP(3)-16-10-paper 1
Barnardo's Cymru	CYP(3)-16-10-paper 2
Action for Children	CYP(3)-16-10-paper 3
Children in Wales	CYP(3)-16-10-paper 4
Save the Children	CYP(3)-16-10-paper 5
NSPCC	CYP(3)-16-10-paper 6