

Save the Children Consultation Response

Finance Committee Inquiry on the INDICATIVE ALLOCATIONS FOR THE WELSH BUDGET 2012-2013

14 September 2011

General Comments and Overarching Perspectives

Save the Children welcomes this opportunity to comment on the Welsh Government's draft budget proposals for 2012 – 13. While Save the Children fully recognises that the Welsh Government has not yet published its budget for 2012 – 13 and that this consultation is an initial exercise to gather views on the indicative figures, there are a number of issues and areas that we would like to comment on.

One in three Welsh children are living in poverty and 14% of all Welsh children endure severe poverty. Recent studies have highlighted that in order to end child poverty by 2020, the Welsh Government's efforts to achieve that target must be intensified; the rate of Child Poverty will need to fall four times more quickly over the next 10 years than it did over the past decade¹. Findings from the Institute for Financial Studies (IFS) forecast that levels of both absolute and relative poverty among children and working-age adults are expected to rise in the years to 2014.² All of this intensifies the rationale to ensure a clear focus on how Welsh Government spending decisions will contribute to their commitment to end Child Poverty by 2020, and to clarify levels of spend on children and young people.

Save the Children's activity in Wales is a crucial part of our UK Programme which campaigns to secure the eradication of Child Poverty by 2020. Save the Children has an interest in all aspects of the debate on ending Child Poverty in Wales and how this outcome is delivered. Furthermore Save the Children believes that poverty is a significant rights violation and in Wales chairs the United Nations Convention on the Rights of the Child Monitoring Group and works to monitor Wales' progress in implementing the UNCRC in Wales.

The Welsh Assembly Government and all other public bodies in Wales have responsibility and obligations to respect the rights of children and young people living in Wales as enshrined in the UNCRC. All public bodies are duty bearers in this regard and accountable to the children and young people of Wales. Specifically the UNCRC has been formally used as the basis for Welsh Government policy making affecting children and young people since 2004. The Rights of Children and Young

¹ JRF (2011). *Monitoring Poverty and Social Exclusion in Wales 2011*. London: Joseph Rowntree Foundation.

² IFS (2011). *Poverty projections between 2010-11 and 2013-14: a post-Budget 2011 update*. London Institute for Fiscal Studies.

Person's Measure (Wales) 2011 will require that Ministers have due regard to the rights contained in the UNCRC in carrying out their functions. In this context Article 4 of the UNCRC places an obligation on the Welsh Government to work to fulfil children's rights to the 'maximum extent of their available resources'.

Lack of visibility

We are concerned that there is a lack of visibility of children in the 2012-13 proposed budget allocations as outlined in the Supplementary Budget which, as they stand, make no specific mention of children. We would urge much greater detail on specific areas of spend where the level of resource allocated to children is not easy to track (for example on health) and further detail on how the budget will translate into delivery on the commitments included in the Child Poverty Strategy at local level.

The lack of transparency in public expenditure on children means that it is currently not possible to tell without more detailed analysis, whether the Welsh Assembly Government is using available resources to the maximum extent to fulfil children's rights UNCRC and whether there are sufficient levels of expenditure to achieve the laudable aim of ending child poverty by 2020. We urge detailed analysis of the budget so that its full impact on all children can be properly understood. Transparent data on expenditure on children needs to be collected and published. This approach will encourage development of indicators to monitor if spending is reaching and benefitting the poorest children and families. The information should be used to inform future rounds of budget allocation.

On a wider point the much recognised issue of data collection at a national, regional and local level in Wales must be improved to ascertain the number of children living in specific circumstances, such as child poverty or severe poverty. The shortcomings of current data are acknowledged by the establishment of the Welsh Government's Wellbeing Monitor in 2008. Save the Children believes that better data is crucial to inform Welsh Government spending decisions and priorities.

A children's budget

Wales has been praised for the initial steps taken (unique in the UK) to implement measures under the UNCRC to promote children's rights at a strategic level.³ Specifically, beginning to develop of a 'children's budgeting approach' to government spending decisions. A children's budget would set out estimates of the proportions and amounts directed to the children of Wales. It would make budgetary decisions affecting children more visible and transparent and the Government of Wales more accountable.

As of May 1st 2012 all Welsh Government Ministers are required to demonstrate that they have shown due regard to the UNCRC in making new laws, policies and policy reviews. We believe that the preparation of a children's budget for 2012-13 is

³ Save the Children (2011). Governance fit for children? To what extent have the general measures of implementation of the CRC been realised in the UK. London: Save the Children.

an essential tool in both meeting this duty and evidencing how planned spending and cuts are impacting on outcomes for children and the enjoyment of their rights.

*“By examining the nuts and bolts of government budgeting alongside information on outcomes and performance, children’s rights budget work helps to sketch a detailed picture of how and how well a particular children’s right is being implemented. This in turn makes it all the more possible to identify a specific intervention and changes that are needed to speed up the delivery of this right to children and improve outcomes”.*⁴

Some progress in this area has already been achieved in Wales. In 2006, following a review of public expenditure on children in Wales commissioned by Save the Children ‘A Child’s Portion’, the Welsh Assembly Government acknowledged the importance of being able to identify how much spending was allocated to children in Wales. It subsequently commissioned an analysis of financial provision for children within its budget for 2004-05 in *“response to a requirement to understand the resources which are spent on children, in order to inform policy development, and to comply with a responsibility under the United Nations Convention on the Rights of the Child to report on the amount and percentage of national budgets spent on children.”*

Though the analysis was described by the ‘NGO Wales alternative report to the UN Committee’ as “fairly rudimentary” it also acknowledged that this is the first time the any Government in the UK had attempted to identify spending on children dispelling the myth that it is an impossible and intractable exercise. We would urge more progress on this area during the next Assembly term.

Participation of children and young people

We welcome the inclusive policy-making practice adopted by the Welsh Government in consulting at this early stage in the process of setting the budget for 2012-2013. We would however emphasise that the right for children to have their views taken into consideration under Article 12 of the UNCRC is an essential principle supported by the Welsh Government. Participation of children and young people is recognised as crucial in the process of tackling child poverty in Wales and we would wish to see the views of children about priorities for the budget and the impact of spending or cuts on their own lives routinely sought in the preparation of budgets in Wales. To this end we would like to see a child friendly version of the Welsh Government’s budget proposals produced to help engage children and young people with the consultation process.

I. Looking at the indicative budget allocations for 2012-13, do you have any concerns from a strategic, overarching perspective?

“No state can tell whether it is fulfilling children’s economic, social and cultural rights ‘to the maximum extent of available resources’, as required under article 4, unless it can identify the proportion of national and other budgets allocated to the social sector and, within that, to children, both directly and indirectly...”

⁴ Save the Children (2009). *Children’s Budgets at the local level*. London: Save the Children.

UN Committee on the Rights of the Child

In 2002, Save the Children commissioned a review of public expenditure on children in Wales.⁵ This assessed the level of priority children's rights has been afforded in the Assembly Government's policy agenda and how far it is backed up by money to deliver improved services and address the many obstacles faced by the most disadvantaged and vulnerable children in Wales.

The research expressed the expectation that devolution would usher in a new, more inclusive approach to governance in Wales. Save the Children, along with the Children's NGO sector in Wales, viewed the formative stage of the new devolved arrangements, as an unparalleled opportunity to establish effective structures that promote the rights of children and ensure children's 'visibility' and participation in all matters affecting them with a view for embedding sustainable benefits for children in Wales in the long term. The Welsh Assembly Government proved itself to be keen to work with the NGO sector in developing its new structures and policies during the first decade of devolution. Save the Children's vision was for the Welsh Assembly Government to create the structures necessary to protect and promote children's rights including: an independent children's commissioner; a ministerial cross cutting committee on children; child impact statements and a children's budget.

Save the Children believes that realising the full combination of these elements is the only way to ensure that children's own views and experiences are given credence and status in policy and service development at all levels of government. In March 2011, the Rights of Children and Young People Measure (2011) was a major step forward in ensuring a commitment by the Welsh Government to establish systems for child proofing all its policies. Save the Children remains concerned that to date, progress on convincing the Welsh Government of the need to adopt and formalise a children's budget, has been more limited.

Save the Children is surprised that given the deadline of May 1st 2012 for Welsh Government departments to demonstrate that they have shown due regard to the UNCRC in making new laws, policies and policy reviews, that this element is not much more prominent in the outline budget allocations for 2012-2013.

2. Looking at the indicative budget allocations for 2012-13, do you have any concerns about any specific areas?

Save the Children has a number of observations about specific areas of the indicative budget allocations for 2012-13.

Primarily, Save the Children is concerned that any structural changes to the ministerial portfolio responsible for children and young people and for issues of child poverty, do not lead to any downgrading in levels of funding for children.

⁵ Save the Children (2004). *A Child's Portion in: Where's the Money Going? Monitoring government and donor budgets*. London: Save the Children.

We welcome the fact that the Health, Social Services & Children (HSS&C) MEG sees no reduction and is at a similar level in comparison to the previous Health and Social Services (HSS) MEG. Save the Children appreciates the £64.1 million transfer of funds to reflect the transfer in from the E&S MEG responsibility for services for children and young people. However it remains difficult to see a breakdown in terms of children and young people and therefore assess the sufficiency of spend to reach targets on child poverty.

Save the Children note that the 2013/2014 MEG for Health and Social Services has decreased on 2011-12 levels and continues to decrease up until 2013/2014. Similarly Education and Skills also sees a decrease. This presents a concern due to projections, which show that levels of child poverty are likely to rise in the years to 2014.⁶ Save the Children would like to see clear funding channels which recognise the challenges facing the Welsh Government on child poverty in coming years.

Within the Education and Skills DEL, while the 2012-13 budget allocations make mention of allocations to a Children and Young People's Strategy and support for learners, there is no specific mention of allocations for supporting the poorest pupils. Save the Children campaigns for governments to target extra resources for pupils living in poverty to enable them to achieve at school. We would welcome further clarity in this area.

Further, while the Department for Local Government & Communities has responsibility for overseeing the implementation of the Welsh Government's new Anti-Poverty Strategy, which Save the Children understands will in future incorporate work on child poverty; we would welcome more specific detail about how budget will be allocated and what levels of spend will be committed to achieve progress on specific areas such as child poverty within the broader Anti-Poverty strategy. This further supports our argument for a mechanism to monitor expenditure on children.

Finally, the Supplementary budget published in June 2011 states that under the new Local Government and Communities MEG, 'functions relating to digital inclusion, equalities, **gypsies and travellers** and non devolved issues on asylum, immigration, migrant workers and community cohesion have transferred to the Central Services and Administration MEG'. However when examining the Central Services and Administration MEG, there is no further detail on how funding will be allocated and what level of spend will occur. While the 'Inclusion' stream mentions migrant workers, immigrants and asylum seekers, there is no mention of gypsies and travellers. Save the Children hosts the Travelling Ahead project, funded by the Welsh Government which exists to support young Gypsies and Travellers in Wales to have a voice and to have a say on issues that affect them. Travelling Ahead contributes to the aim of ensuring equality of opportunity for all Gypsies and Travellers across Wales and a commitment to support for this group should be more clearly reflected in the Welsh Government's budget allocations for 2012-13.

⁶ IFS (2011). *Poverty projections between 2010-11 and 2013-14: a post-Budget 2011 update*. London Institute for Fiscal Studies.

3. What expectations do you have of the 2012-13 draft budget proposals? What spending commitments and priorities would you like to see in the 2012-13 draft budget proposals?

In line with our long running campaign and building on arguments presented in this consultation response, Save the Children would like to see a commitment to children's budgeting built into the 2012-13 draft budget proposals. This will become even more salient as the Rights of Children and Young People Measure (2011) is implemented during the next Assembly term – we believe that commitments outlined in this measure must be matched with adequate resource.

Save the Children also has a number of overarching points about areas which we believe must be adequately reflected in any of the Welsh Government's budget decisions in order to make sufficient progress towards the aim of eradicating child poverty by 2020. In particular Save the Children believes resources should be focused on:

- Protecting families in poverty from the impact of the economic downturn by removing barriers to employment and making work pay and supporting the finances of families living in poverty
- Ending the educational attainment gap

To achieve these priorities, there are a number of key areas we would hope to see clear evidence of resources focused on, in the upcoming draft budget proposals, including:

- i. **Continuing support for universal benefits including;** Free school breakfasts for primary school children; Free school milk for primary school children; Free swimming for under 16s; Free NHS prescriptions..
- ii. **Removing barriers to employment including through focused resource to ensure high quality, available and affordable childcare.⁷**
- iii. **Financial Inclusion**
- iv. **Educational attainment**
- v. **Improving the early home learning environment**
- vi. **Communities First**
- vii. **Jobs Strategy and Employment Policy**

4. The new Welsh Government has not yet published a programme of government. However, the Welsh Government has emphasised that it is seeking to deliver an outcomes-based approach, with the First Minister declaring that “delivery will be the watchword of the next Welsh Labour government.” What- if any- outcomes do you believe the Welsh Government should be trying to achieve with its 2012-13 draft budget?

⁷ See Save the Children (2011) The Childcare Trap: Making Work Pay. London Save the Children, Welsh Government (2010). Nurturing Children, Supporting Families. Cardiff: Welsh Government.

Save the Children broadly welcomes the commitment by the Welsh Government to develop an Anti-Poverty strategy which will in future incorporate work on child poverty. However a key reservation is a concern that the previous emphasis on child poverty by the Welsh Government is not lost or subsumed into wider debates on a broad anti-poverty approach. In this context the need for clarity and transparency to demonstrate spending on children and to ensure delivery on commitments on children's rights and child poverty becomes all the more evident. We would urge clear evidence of how the Welsh Government will achieve a cross-department approach to tackling poverty and more detail on the specific area of child poverty.

In 2009, Save the Children published a report which examined public expenditure on children across the UK in order to identify the extent to which resources are directed towards the poorest children.⁸ 'A Child's Portion' concluded that establishing children's budgets at a national and local level will enable greater understanding of and greater transparency around public spending on children, something that would greatly contribute to the outcomes focus and emphasis on delivery of the new Welsh Government.

A key recommendation of the report is that expenditure on children needs to be collected; published and analysed with a view to ensuring that investment in children is visible, accountable and transparent and that it is possible to determine the extent to which spending is targeted and benefiting children living in poverty.⁹ We have previously argued that this should be linked to the child poverty strategy and delivery plan for Wales, and this would also apply to the new Anti-Poverty Strategy. Needs should be evaluated/analysed against the Anti-Poverty strategy to show: where the money is needed, where it actually goes, and what this means for children living in poverty.

Children's participatory budgeting (i.e. involving children in the budgeting decision-making process) also helps increase government transparency and accountability. In its combined 3rd and 4th report to the UN Committee, the then UK Government maintained that *"it is not possible to provide an accurate single UK figure, or an assessment of the percentage of GDP spent on children"* because of *"a combination of factors such as devolved administration, differing policy priorities and a variety of ways in which budgets are allocated."*¹⁰ In its 2008 report to the UN Committee, the four UK Children's Commissioners commented that *"allocation of resources [to children] is not dependent on assessed need, is not transparent, is often of short-term nature, and its impact on outcomes for children is not always evaluated."*¹¹ The UK Commissioners recommended that the UK Government and the devolved administrations be required to identify and evaluate the impact of their spending on children.

In Wales, further analysis was carried out for the 2006-07 budget and in March 2009 a statistical bulletin was published which presented estimates for the proportion to

⁸ Save the Children (2009) A Child's Portion. London: Save the Children

⁹ Save the Children (2009) A Child's Portion. London: Save the Children.

¹⁰ UK Government (2008). The Consolidated 3rd and 4th Periodic Report to the UN Committee on the Rights of the Child.

¹¹ Four UK Children's Commissioners (2008) UK Children's Commissioners' report to the UN Committee on the Rights of the Child

be spent on children in the period 2007-08 to 2010-11.¹² Based on existing spending plans the proportion of the Government budget allocated to children was projected to remain around 28%.¹³ In 'Getting it Right 2009', the Welsh Government's 5 year Action Plan responding to the recommendations of the Concluding Observations of the UN Committee on the Rights of the Child 2008, recognised that the Welsh Government still had "*very much further to go to provide as accurate a picture as possible*"¹⁴. The Welsh Government has already committed to "*improving the transparency of budgeting for children and young people*" at national level as one of its 16 priorities.¹⁵ A Task and Finish Group (made up of both policy and financial officials) was established during the last Assembly term to work towards a better understanding of current progress and developments in children's budgeting; develop ideas and proposals for ways to improve budget forecasting and spend on children; consider other relevant issues such as participatory budgeting and pro-poor spending; and consider the recommendations made by the Children and Young People's Committee.

In this sense, the Welsh Government is leading the way within the UK, with plans to carry out two projects to strengthen children's engagement in budgetary decision-making. The first project, building on previous work, will develop a new resource for children to improve their financial knowledge; the second project will pilot a number of local and national participatory budgeting projects.

During the last Assembly term the National Assembly for Wales' Children and Young People's Committee carried out an inquiry into children's budgeting.¹⁶ The Committee acknowledged that producing budgets for children is a difficult thing to do but sees it as absolutely necessary. The report of its inquiry makes 11 recommendations to WAG to improve children's budgeting.

In November 2010, both the Deputy Minister for Children and Minister for Children, Education and Lifelong Learning agreed the response to the Children and Young People's Committee on the recommendations made in their 2009 report on Children's Budgeting. Both Ministers agreed that further consideration would be given to amending the Terms of Reference for the Children and Young People's Cabinet Committee's role in Welsh Assembly Government budgeting relating to children and young people. However Save the Children is concerned that two years have now passed since the publication of the 'Getting it Right Action Plan' and progress still seems to be limited.

¹² Statistics for Wales and Welsh Assembly Government (2009) Financial Provision For Children Within The Welsh Assembly Government Budget

¹³ Cited in National Assembly for Wales Children and Young People's Committee (2009) Children's Budgeting in Wales.

¹⁴ National Assembly for Wales (2009) getting it Rights 2009 United Nations Convention on the Rights of the Child. A 5-year rolling Action Plan for Wales setting out key priorities and actions to be undertaken by the Welsh Assembly Government in response to the Concluding Observations of the UN Committee on the Rights of the Child.

¹⁵ Welsh Assembly Government (2009) Getting it Right 2009 United Nations Convention on the Rights of the Child. A 5-year rolling Action Plan for Wales setting out key priorities and actions to be undertaken by the Welsh Assembly Government in response to the Concluding Observations of the UN Committee on the Rights of the Child 2008.

¹⁶ Welsh Assembly Finance Committee, Reports from Committees of the National Assembly for Wales regarding the draft budget of the Welsh Assembly Government

Save the Children would urge progress in these areas during the Assembly's Fourth term and would welcome clarification on the current status of the Welsh Assembly Government's approach to budgeting for Children and Young People, especially within the new Departmental structures within Welsh Government.

5. Can you suggest any elements that should be in the 2012-13 draft budget proposals to support more effective collaborative working?

Besides the numerous advantages of children's budgeting in ensuring that a consideration of children's issues are hardwired into Welsh Government policies, as committed to in the Rights of Children and Young Person's (Wales) Measure 2011, adopting a child budget approach also offers potentially rewarding results in terms of encouraging more effective collaborative working. Being able to clearly monitor and track spending on children across Welsh Government departments could help to achieve efficiency savings, and the greater transparency achieved could help to highlight duplication of spend and make the Welsh Government more accountable in this area.