

Agenda – Equality and Social Justice Committee

Meeting Venue:

Committee Room 3 (Senedd)

Meeting date: 22 January 2024

Meeting time: 13:30

For further information contact:

Rhys Morgan

Committee Clerk

0300 200 6565

SeneddEquality@senedd.wales

Pre-meeting registration (13:00 – 13:30)

1 Introductions, apologies, substitutions and declarations of interest

(13:30)

2 Papers to note

(13:30)

2.1 Correspondence between the Chair and the Minister for Social Justice and Chief Whip regarding the European Union Settlement Scheme

(Pages 1 – 10)

2.2 Correspondence from Auditory Verbal UK to the Chair regarding improving hearing outcomes for deaf babies

(Pages 11 – 12)

3 Draft Budget 2024–25: Ministerial evidence session

(13:30 – 15:00)

(Pages 13 – 86)

Jane Hutt, MS, Minister for Social Justice and Chief Whip

Hannah Blythyn, MS, Deputy Minister for Social Partnership

Amelia John, Director, Communities and Tackling Poverty, Welsh Government



Liz Lalley, Director, Risk, Resilience & Community Safety, Welsh Government

Claire Germain, Deputy Director – Tackling Poverty & Supporting Families,
Welsh Government

4 Motion under SO17.42 (vi) and (ix) to exclude the public for the remainder of today's meeting

(15:00)

5 Draft Budget 2024–25: consideration of evidence

(15:00 – 15:30)

6 EU Settlement Scheme: update on monitoring work

(15:30–15:50)

(Pages 87 – 95)

7 Forward work programme

(15:50– 16:00)

Jane Hutt AS/MS
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip
Minister for Social Justice and Chief Whip

Jenny Rathbone MS
Chair, Equality and Social Justice Committee
Senedd Cymru
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19 December 2023

Dear Jenny,

Thank you for your letter of 24 November. I note the questions you have raised within your correspondence, and I provide a response to those questions below:

IMA Assurance Review: Looked after children and care leavers

In July 2022, the Independent Monitoring Authority (IMA) for the Citizens' Rights Agreements wrote to all 22 local authorities in Wales seeking assurance that they are discharging their responsibilities with regards to making and supporting EU Settlement Scheme (EUSS) applications on behalf all eligible looked after children, children in receipt of local authority care and support, and care leavers. As you've noted, the IMA then published an interim report, outlining IMA concerns over the processes and systems in place in some Welsh Local authorities.

Since this time Welsh local authorities have worked collaboratively with the IMA. The IMA has recently confirmed that it is now assured that all 22 local authorities in Wales have taken proactive measures to improve their processes, procedures, and management information to ensure they are protecting the rights of EU looked after children and care leavers.

[IMA is assured that local authorities in Wales are protecting the rights of EU looked after children and care leavers - Independent Monitoring Authority \(ima-citizensrights.org.uk\)](https://www.ima-citizensrights.org.uk)

The IMA sought assurance in three key areas:

1. robustness of the identification processes;
2. accurate record keeping; and
3. completion of retrospective checks.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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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.

As a result of the measures taken by local authorities in Wales, the IMA now grades all 22 local authorities as 'green' in each of these areas. The IMA's final findings were outlined in the **Assurance Review (Looked after Children and Care Leavers) Annex 1a: Wales Follow on review**, which was published in November 2023. There are currently no Welsh local authority cases which remain open.

This report can be accessed via: [Wales-Follow-On-Review-November-2023.pdf \(ima-citizensrights.org.uk\)](https://www.ima-citizensrights.org.uk/Wales-Follow-On-Review-November-2023.pdf)

The Welsh Government is pleased with the findings of that report and the IMA has commended all local authorities in Wales for their engagement in this work. This work has also enabled local authorities to identify additional numbers of children being eligible for the EU Settlement Scheme, and upon successful application, will guarantee their rights to continue to live, study and work in the UK.

The Welsh Government will continue to support all local authorities in Wales to implement robust processes to identify and support eligible cohorts in line with the Home Office guidance.

EU citizens and NHS treatment costs

Welsh Government officials have liaised with all local health boards in Wales and determined that no EU citizens accessing relevant health services in Wales have been affected by the system error.

Changes for pre-settled status holders

In June, I wrote to the UK Government calling for better engagement with Devolved Governments in relation to the Home Office plans to implement the High Court ruling following the judicial review. To my disappointment, the UK Government did not take this request into consideration when they announced the changes to the immigration system in July. The Welsh Government were not consulted on the proposed changes to the EU Settlement Scheme and did not receive advance warning prior to the announcement being made.

I wrote to the Parliamentary Under-Secretary of State in August to inform the Home Office that this lack of engagement has a detrimental impact on the ability of Devolved Governments to effectively implement the policy. However, in recent weeks, there has been an improvement in engagement and Welsh Government officials are now meeting regularly with the Home Office as it develops policy changes post-judicial review outcome.

Welsh Government officials are also in regular contact with the IMA to ensure a clear understanding of what the recent changes to the immigration system mean for citizens with pre-settled status. The Welsh Government website and the Sanctuary website have been amended to reflect these changes, as has the Welsh Government EU citizens' rights information leaflets.

The Welsh Government welcomes the extension to pre-settled status and the automatic upgrade of settled status, as this reduces the burden on EU citizens and reduces the likelihood of people ending up without secure status. However, the Welsh Government has asked the Home Office for clarity about how they will notify citizens who are not eligible for the automatic upgrade. This is to ensure that those citizens are aware that they will be required to apply to switch from pre-settled to settled status. We have been reassured that

all individuals who cannot be automatically upgraded to settled status will be notified appropriately.

On your point of related statistics, the Home Office has responded to our request for statistics on the number of pre-settled status holders who have been automatically upgraded to settled status and we have been reassured by those numbers. However, this information is not in the public domain and the UK Government is not including this data in the routine publishing of the EUSS Quarterly Statistics, therefore we cannot share those statistics.

Late applications

Welsh Government officials have voiced concerns around the removal of the administrative review process. There will still be genuine EU citizens who are applying late to the scheme and are refused because of the tightening of validity criteria and case worker guidance around reasonable grounds. We urge any citizen who has been refused and believes they have made a valid late application to contact one of the Welsh Government-funded organisations for support.

The Welsh Government has not been made aware of any issue with increased refusal rates or delays, but stakeholders have made us aware that the complexity of cases they are dealing with is an issue. Stakeholders are needing case workers with OISC level 2 and even level 3 accreditation to deal with the cases they are now seeing.

The Welsh Government has recently offered grant funding to Welsh organisations to increase the provision of immigration advice in Wales. This funding allows organisation to upskill their current employees to offer higher level OISC accredited advice. The funding covers the training, examination and registration with the OISC.

Home Office officials have stated that while there continues to be high numbers of late applications, these are mainly repeat applications and not new applications, which is the reason for the tightening of the validity criteria. The Home Office officials have further stated that they are keen to ensure that genuine late applications are not delayed due to the Home Office being inundated with repeat applications from citizens who are not eligible for pre-settled or settled status and have been refused status.

The number of late applications made by EU citizens in Wales saw a decline over the spring and summer months but application numbers are again rising. The Welsh Government has asked the Home Office for a breakdown of application types but we have not yet received a response to this request. The latest EUSS Quarterly Statistics can be accessed via: [EU Settlement Scheme quarterly statistics, September 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-september-2023)

No applications

The UK Government did not consult the Welsh Government on the plans to close the Zambrano and Family Permit routes and were only notified when the UK Government announced the changes to the immigration rules in July, confirming the closure of both routes.

However, the Zambrano right to reside in the UK ceased to exist at the end of the post-EU withdrawal transition period at 11pm on 31 December 2020 and is not covered by the Withdrawal Act Agreement with the EU or the citizens' rights agreements with the other European Economic Area (EEA) countries and Switzerland. The UK decided to provide

those with such a right to reside in the UK by the end of the transition period with access to the EU Settlement Scheme, until the route closed to new applications on 8 August 2023.

Under EU free movement, the EEA family permit enabled non-EEA national family members of EEA citizens (including extended family members) to join them in the UK. When free movement ended on 31 December 2020 and in line with the Withdrawal Agreements, the EEA family permit route closed to applications from extended family members (other than durable partners), and on 30 June 2021 to other applications. EEA family permits ceased to be valid for travel to the UK after 30 June 2021.

Since 1 July 2021, the Home Office issued an EU Settlement Scheme (EUSS) family permit to those direct family members and durable partners qualifying for it who could not be issued an EEA family permit because that route had closed. Whilst the EUSS Family Permit route closed on 8 August 2023, it will remain open for individuals who already hold status, have a pending application or are under appeal.

With evidence that applications via those routes from Welsh residents were very small in numbers, the Welsh Government does not believe the closure of these routes will have a major effect but, as always, prior warning from the UK Government would have enabled better analysis of this.

Welsh Government Support

The Welsh Government has extended the EUSS Advice Services provided by Settled and Citizens Advice Cymru with both organisations funded to provide services until 31 March 2024.

Citizens Advice and Settled provide quarterly reports to the Welsh Government on the services they provide which does include the number of citizens they are helping to successfully submit an application to the EU Settlement Scheme. However, the number of citizens seeking advice is less of an issue post-deadline. It is the complexity of cases that is increasing.

The Welsh Government funds the Travelling Ahead project at TGP Cymru to deliver advice and advocacy support to Gypsy, Roma and Traveller (GRT) communities. The Travelling Ahead project seeks to have a positive impact on people's lives through supporting community members to ensure accommodation security, access services and benefits and engage with decision makers and public services.

The objectives of the service are to:

- Facilitate equality of opportunity for Gypsies, Roma and Travellers within Welsh society.
- Provide support and connect with expert advice services to help community members integrate effectively into Welsh society, including advocating changes to public processes where necessary.
- Support community cohesion through challenging negative stereotypes and fostering good relations between groups.
- Empower communities and individuals to have a voice and make representations on their own behalf on policy development and any other issues raised.
- Support the Welsh Government to eliminate discrimination and advance equality of opportunity.

Officials are beginning a new procurement exercise to re-tender the provision of advice and advocacy support to GRT communities, with the intention of avoiding any break in services available.

TGP Cymru continues to be funded by the UK Government to provide level 1 OISC EUSS Advice services to the Roma community. We do not have data on the number of individuals needing support but we are not aware that there is any increased demand in advice for the Roma community.

The contract for Newfields Law to provide EUSS Advice Services has ended on 31 March 2023, however, Newfields Law continue to engage with the EUSS Co-ordination Group. There continues to be free legal advice available to EU citizens in Wales via the grant funded organisations and via the services the EU Delegation to the UK offer.

Ukrainian applications

Up to 30 September 2023, 15,260 Ukraine nationals across the UK applied to the EU Settlement Scheme. However, the latest EUSS Quarterly Statistics do not provide a breakdown by country and as such we are unable to provide an updated figure of how many applicants were resident in Wales at the time of application.

The EUSS Co-ordination Group has not made the Welsh Government aware of any specific issues for Ukrainian citizens following the closure of the Family Permit Route.

The EUSS Co-ordination Group has now formally closed and is being replaced by a broader EU Citizens' Rights Forum. The new group will cover EU citizens' rights as well as the EU Settlement Scheme. Membership and Terms of Reference have been agreed and the first meeting of the new forum is due to take place in the new year.

Yours sincerely,

A handwritten signature in black ink that reads "Jane Hutt". The signature is written in a cursive style with a long horizontal stroke above the first name.

**Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip
Minister for Social Justice and Chief Whip**

Minister for Social Justice and Chief Whip

24 November 2023

Dear Jane,

EU Settlement Scheme (EUSS) in Wales

Following the Committee's consideration of the latest EUSS statistics and EUSS Coordination Group meeting minutes on 6 November 2023, we would welcome an update in the following areas:

1. Recent developments at the Independent Monitoring Authority (IMA)

I note that Miranda Biddle was appointed as the IMA's new Chief Executive in June 2023. The IMA laid its second annual report in the Senedd on 29 June 2023. It includes a Wales-specific looked after children and care leavers report which reviews the support provided by all Wales's local authorities and health and social care services in making EUSS applications. This was part of a UK-wide IMA review into support provided by local government. The report details a number of the IMA's concerns, including a lack of:

- documented processes and written operational guidelines;
- accurate record keeping and data capture and storage;
- references to the identification of non-EU and EEA EFTA family members of EU and EEA EFTA citizens; and
- the use of ethnicity as opposed to nationality to identify citizen eligibility.

As a result, the IMA said it was considering opening individual compliance investigations.

The Welsh Government's EU Coordination Group meeting minutes for June 2023 record an update provided by the IMA at the meeting, which states that 21 of 22 local authorities had assurance cases open and that the IMA was in the process of regrading the local authorities. The update also noted that data recording had improved.

The Committee would like you to:

- a) set out the Welsh Government's response to the IMA's findings.
- b) provide a status update on the IMA's assurance cases of local authorities in Wales, including whether any cases that remain open and the role and involvement of the Welsh Government, if any, in these.

2. Latest quarterly statistics and the outcome of system errors

In May 2023, it emerged that the digital status of some European citizens had not been updated to show a refusal decision. Around 141,000 European citizens in receipt of benefits and NHS treatment while awaiting the outcome of their application were required by the UK Government to pay back the amounts for treatment received. The digital status of those affected had continued to show as 'pending' despite them having received a refusal decision between 27 June 2021 – 19 April 2022. The Welsh Government's EUSS Coordination Group

meeting minutes from June 2023 record that “only a small number” of citizens in Wales would need to pay back the amounts for treatment received.

The Committee would like you to tell us:

- a) how many European citizens are affected by the system error in Wales, who have been in receipt of services paid for by the Welsh Government.
- b) whether the Welsh Government has quantified the amounts involved.
- c) whether the Welsh Government will request costs from devolved budgets, such as health services, to be paid back.

3. Pre-settled citizens

On 21 December 2022, the High Court ruled that the requirement for pre-settled status holders to make a second application to convert to settled status is unlawful.

In March 2023, you told this Committee that you welcomed the UK Government’s decision not to appeal the High Court’s decision. You explained how the Welsh Government:

- continues to reach out to the UK Government for further clarity on what the ruling means; and
- called for the UK Government to involve all devolved governments in any decision making or further policy developments in this area.

Changes to the EUSS scheme were announced by the Home Office on 17 July 2023. The changes mean that pre-settled citizens:

- will automatically have their status extended by 2 years from September 2023; and
- will be automatically upgraded to settled status, starting from 2024.

The EUSS Coordination Group meeting minutes from September 2023 record that the Welsh Government had requested that future statistical updates published by the Home Office would show breakdowns of those who have been automatically upgraded and those who applied to be upgraded following the changes to the EUSS as a result of the High Court’s ruling. The minutes show that the request was being considered and that officials would respond in due course.

The Committee would like you to confirm:

- a) the Welsh Government’s response to the changes for pre-settled status holders announced by the UK Government as a result of the High Court ruling.
- b) whether the UK Government has provided the clarity and involved the devolved governments fully, as requested by the Welsh Government.
- c) whether the UK Government has responded to the Welsh Government’s request, that statistical breakdowns be provided of automatic status upgrades and those who applied to upgrade from pre-settled to settled status.

At our meeting, the Committee considered the responses of the [Migration Observatory](#) and [UK in a Changing Europe](#) to the changes described above, who identify new uncertainties for pre-settled status holders and vulnerable citizens.

The Committee would welcome the Welsh Government's views on the concerns raised by the Migration Observatory and UK in a Changing Europe in relation to the impact on vulnerable groups.

4. Late applications

The number of late applications from Wales reached 16,210 at the end of June 2023. Statistics show that there have been between 620-800 late applications each month in 2023.

The Migration Observatory has noted that "late applications have not declined over time and remained at more than 15,000 per month throughout 2022 and 2023" UK-wide. It also notes that, UK-wide, "the refusal rate for applications has increased sharply over time, from below 3% of all decisions in early 2021 to 37% by June 2023".

The UK Government announced further changes to the EUSS for late applications in August and October 2023, so that:

- reasonable grounds are now considered a validity requirement instead of an eligibility requirement.
- the right to an administrative review of refused or cancelled EUSS decisions made on or after 5 October 2023 has been removed.

The June 2023 meeting minutes of the Welsh Government's EUSS Coordination Group record that organisations were busier than previously with limited resources and that there is still a high level of complex cases ongoing.

The Committee would like you to confirm:

- a) The Welsh Government's response to the changes made in relation to late applications, including to reasonable grounds criteria and the removal of the right of administrative review.
- b) The Welsh Government's view on late applications from Wales, which have remained steady at between 600-800 per month in 2023.
- c) Whether the Welsh Government is aware of specific challenges for late applicants in Wales, including changes over time to the types and complexity of cases being handled by funded organisations.
- d) Whether the Welsh Government and funded organisations are experiencing the same trends as are being documented UK-wide, in relation to increases in refusal rates and decision delays.
- e) Whether the Welsh Government has any Wales-specific statistics on these matters that it can share with the Committee.
- f) An update on intergovernmental discussions on these issues.

5. No applications

On 8 August 2023, two EUSS routes closed to new applications:

- EUSS Family Permit: applicable to family members of a qualifying British citizen (known as 'Surinder Singh' cases); and
- Zambrano 'right to reside': applicable to primary carers of a British citizen

The Committee would like you to:

- a) Confirm the Welsh Government's view on the closure of EUSS Family Permits and Zambrano routes.

b) Provide an update on intergovernmental discussions on these issues.

6. Welsh Government Support

The Committee considered the latest available information on the support provided to EUSS applicants by the Welsh Government, including from your written statement in March 2023, and correspondence to the Committee in June 2023.

The Committee would like you to:

- a) Confirm whether support plans have changed in light of the changes made by the UK Government, and if so, how.
- b) Provide an update on the support available and associated timescales.
- c) Clarify whether the EUSS support provided by Newfields has been limited to support the health and social care sector with overseas recruitment only, or whether this is additional to its services provided previously.
- d) Confirm whether the Welsh Government and funded organisations have statistics available on the number of citizens accessing EUSS advice and support services.
- e) Provide an update on EUSS-related Roma community support, including whether the Welsh Government has intelligence of how many individuals may still need support.
- f) Clarify potential gaps in Roma community support, which you have said ran up to 31 July 2023 but could restart in 2024.

7. Ukrainian applicants


Finally, in respect of Ukrainian applicants the Committee would like you to:

- a) Provide an update on the number of Ukrainian applicants with an address in Wales, as previously obtained from the UK Government on request.
- b) Confirm whether the Welsh Government or members of its EUSS Coordination Group are aware of any specific issues arising for Ukrainian citizens, in particular since the closure of the Family Permit route.

Many thanks for the sharing of the Minutes to the Committee. They have been a most useful resource and the Committee looks forward to receiving further updates in due course.

The Committee would appreciate a response to this letter by 15 December 2023.

Yours sincerely,



Jenny Rathbone MS

Chair, Equality and Social Justice Committee
Welsh Parliament

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Jenny Rathbone MS
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

10th January 2024

Re. Improving outcomes for deaf babies and children: provision of Auditory Verbal therapy

Dear Ms Rathbone,

I am writing to you as the Chief Executive of charity Auditory Verbal UK (AVUK) in your capacity as the Chair of the Equality and Social Justice Committee to outline cost-benefit analysis of Auditory Verbal (AV) therapy – a highly specialist evidence-based, early intervention programme, which is transforming opportunities for deaf children in Wales whose families want them to learn to listen and speak. I wanted to share with you some further detail on the significant, long-term savings and clear health and social benefits with this approach.

We understand that AV therapy is being included in the new guidance supporting deaf children that is currently being finalised. However, we were disappointed to see that there was no funding for its provision in the Welsh Government Draft Budget 2024-25 and there is an urgent need to invest in the training of the current workforce. Given the transformative benefits that AV therapy can have, I am writing to ask that you and your Committee consider the long-term benefits of AV therapy funding when scrutinising the Draft Budget.

Working together to transform lives

With deaf children in Wales currently falling behind their hearing peers and at risk of lower academic achievement, lower employment prospects and higher risk of social exclusion, bullying and poor mental health, there has never been a more important time to invest in effective and early support to tackle the root cause of disadvantage.

There are around 270 deaf children under 5 in Wales. While Wales has one of the best Newborn Hearing Screening Programmes in the world and state of the art hearing technology (hearing aids and cochlear implants) available to babies and young people on the NHS, deaf children are not reaching their full potential and we are not currently maximising the investment being made in screening and technology. But it does not have to be this way. When deaf children have access to early and effective support, following early diagnosis and access to technology, outcomes are transformed. Early and effective support should be available for all deaf children whether their families choose to communicate with spoken language, sign language or both.

For those families who want their deaf children to learn to listen and talk, the benefits of AV therapy are clear. Around 80% of children who attend an AV therapy programme for at least two years achieve the same level of spoken language as their hearing peers, rising to 97% of children without additional needs. The majority of these children attend mainstream schools and they are attaining educational outcomes on a par with hearing children.



The full return on government investment in diagnosis and hearing technology is being realised for these children. They are getting an equal start at school and the health and education benefits are lifelong.

However, at present, over 90% of deaf children under the age 5 that could benefit from AV therapy are unable to access it. There are no qualified AV Therapists working in the NHS and local services in Wales.

But with support and investment from the Welsh Government, we can change this. With an investment of only £800,000 over the next ten years, it is possible to train a small proportion of the current public sector workforce of speech and language therapists, audiologists and teachers of the deaf to embed 12 specialist therapists in the NHS and local services in Wales. We urge you to consider taking the first steps towards making this a reality with the first tranche of funding being made available in the next financial year. By committing to one year's worth of funding for only £80,000, more deaf children can start to benefit from greater access to speech and language therapists and teachers of the deaf, trained in this specialist approach.

We are currently working with a number of speech and language therapists and teachers of the deaf across Wales who have begun their training in this specialist approach, which has been funded by charitable trusts. Two teachers of the deaf, based in North Wales are about to complete our foundation level training specialist approach but we need to expand the numbers in training to support all those who could benefit, across Wales.

The economic case for investment

Analysis across the UK shows that investment in Auditory Verbal therapy for the families of deaf children can unlock £152 million of economic benefit, rising to £11.7 billion within the next 50 years through improved quality of life, employment prospects, lower costs of schooling and avoided injuries. Other developed countries like Australia, New Zealand and Denmark already provide state funding of AV therapy and Wales should strive to match this investment.

As previously mentioned, I would ask that you will consider advocating for the inclusion of £800,000 of funding, starting with the one year commitment of only £80,000, for the provision of AV therapy across Wales in this year's Budget and that you would discuss this significant return on investment with relevant Ministerial colleagues.

I would also welcome the opportunity to meet with you to discuss how we can work together to support more deaf children to have the same opportunities in life as their hearing peers.

I look forward to hearing from you soon.

Kind regards,
Anita Grover
Chief Executive
Auditory Verbal UK

Contact via avuk@atticuscomms.com



Agenda Item 3

Document is Restricted

Equality and Social Justice Committee

Date: 20 December 2023

Title: Scrutiny of the Welsh Government's draft budget 2024-25

Overview

1. For the 2024-25 draft budget our baseline for planning was the indicative budget set as part of the 2023-24 Final Budget. The table below demonstrates the changes made between the 2023-24 First Supplementary Budget to the figures published as part of the 2024-25 Draft Budget.
2. As part of this Draft Budget, we have made significant changes to our indicative budgets with funding redirected from across Welsh Government, including from this portfolio, to provide extra funding and protection for front-line services for people and communities across Wales – the NHS and the core local government settlement, which funds schools, social services and social care and other everyday services.

Table 1: Overview of changes to BEL tables

	2023-24 Final Budget	2023-24 1st Supp	Indicative 2024-25 Position	2024-25 savings	Baseline Adjust	Revised 2024-25 Position
Near - Cash	136,038	139,237	139,038	-14,081	0	124,957
Non – Cash	210	255	210	0	3*	213
Resource	136,248	139,492	139,248	-14,081	3	125,170
Capital	17,494	16,994	16,958	0	0	16,958
Total	153,742	156,486	156,206	-14,081	3	142,128
AME	24,546	24,546	31,759	0	6,569**	38,328

*Non - Cash adjustment relates to £3k non-cash into Equality, Inclusion and Human Rights BEL (7060) from reserves.

** Increase of £6,569k relating to the Fire Service Pensions – AME, in line with the OBR forecast.

3. A breakdown of the 2024-25 Social Justice MEG allocations by Action and BEL is included at Annex A; this also provides detailed explanations of the changes made between the 2023-24 First Supplementary Budget and the 2024-25 Draft Budget at BEL level.

Overview of Resource changes between 24-25 indicative budget and the 24-25 Draft Budget

4. We have had to make very difficult decisions to re-focus our spending plans on the public services which matter most to people – the NHS and everyday services delivered by local councils, such as schools, housing and social care. Unfortunately, this has meant moving spending away from other departmental areas, including this one.
5. We have taken this approach to ensure we continue to focus funding where it can have the most positive impacts in the circumstances and taking action to ensure we mitigate direct impacts to people and places, as far as possible. Spending more in some areas means there is less to spend in other areas. Where hard decisions have been required, we have sought to identify those areas where the relative impacts are lesser than their alternatives and we have sought to take action to mitigate impacts as far as possible. Given the circumstances, it has not been possible to avoid negative impacts in all cases.
6. Difficult decisions have had to be made about the services we provide and how we provide them. In making these decisions we have been guided by some clear principles. These include protecting front line public services, supporting households who are hardest hit by the cost-of-living crisis and minimising the impacts on our actions to tackle the climate and nature emergencies. It has also been important within this portfolio to attempt to avoid making decisions that widen inequalities.
7. We know our partners in the wider public sector as well as our partners in the third sector will be under similar pressures. We will work in collaboration with our partners to manage the risk of the financial challenges ahead, whilst continuing to deliver essential services for the people of Wales.
8. This portfolio has identified **revenue savings of £14.081m** from our indicative resource budget of £139.2m for 2024-25 to contribute towards wider Welsh Government pressures. Further savings were also required within the MEG to meet additional pressures.
9. These were substantial savings from this small portfolio and the decisions will have a range of impacts for the public in general as well as specific impacts for a number of groups of people. In making these decisions it has been a priority to protect frontline public services where possible but also to protect those families and individuals worst affected by the financial situation we face. We have therefore protected the Discretionary Assistance Fund (within the Financial Inclusion BEL), the Single Advice Fund (within the Advice Services BEL) and Basic Income BELs as well as certain key activities within other budgets for example the emergency food aid budget within the Supporting Communities budget as these directly support individuals most vulnerable to financial challenges. These crucial budgets will continue to assist the most disadvantaged,

marginalised and/or vulnerable impacted by the cost-of-living crisis. The revised funding will still enable us to continue our important work to implement the Child Poverty Strategy.

10. We have also protected the Violence Against Women and Sexual Violence (VAWDASV) budget due to the continuing demand against this budget and the importance of protecting those experiencing VAWDASV from physical, mental, and emotional harms with a commitment to implement the VAWDASV Blueprint strategy with our criminal justice partners and specialist services.

11. These protections, however, mean it has been necessary to identify savings from other areas of this portfolio. The changes made to indicative revenue budgets as part of the 2024-25 Draft Budget are set out in the table below. The narrative following the table sets out the rationale for the changes between the indicative and draft budgets. Further information is included at Annex A setting out an explanation of changes since the first supplementary budget.

BEL ref	BEL name	Indicative 2024-25 Position	2024-25 changes	Revised 2024-25 Position	% change
1089	Basic Income	7,200	3,500	10,700	48.61%
1694	Financial Inclusion	39,002	0	39,002	0.00%
1084	Digital Inclusion	1,250	-500	750	-40.00%
1084	Digital Inclusion (Non Cash)*	149	0	149	0.00%
1086	Supporting Communities	4,164	-1,500	2,664	-36.02%
541	VAWDASV	8,005	0	8,005	0.00%
7060	Equality, Inclusion and Human Rights	12,987	-3,214	9,773	-24.75%
7062	Cohesive Communities	5,580	-870	4,710	-15.59%
7063	Equal,Poverty&Children's Evidence & Supp	1,949	-313	1,636	-16.06%
480	Children's Commissioner	1,675	-84	1,591	-5.01%
480	Children's Commissioner (Non Cash)*	52	0	52	0.00%
5334	Advice Services	11,675	0	11,675	0.00%
1695	Support for the Voluntary Sector and Vol	9,424	-970	8,454	-10.29%
1265	Fire & Rescue Services	2,533	-10	2,523	-0.39%
1697	FRS Communication System	2,275	-1,000	1,275	-43.96%
1698	Community Fire Safety	848	-457	391	-53.89%
830	Community Support Officers	22,981	-7,473	15,508	-32.52%
1267	Women's Justice & Youth Justice Blue Prints	1,092	-20	1,072	-1.83%
662	Older People Commissioner	1,701	-85	1,616	-5.00%
662	Older People Commissioner (Non Cash)*	9	0	9	0.00%
470	Public Appointments	400	-248	152	-62.00%
6400	Future Generations Commissioner Wales	1,695	-85	1,610	-5.01%
7074	International Sustainable Development	1,275	-225	1,050	-17.65%
1693	Social Partnerships	961	-161	800	-16.75%
6664	Chwarae Teg	366	-366	0	-100.00%
	TOTAL	139,248	-14,081	125,167	-10.11%
7060	Equality, Inclusion and Human Rights (Non Cash)*	0	3	3	
	SJ MEG TOTAL	139,248	-14,078	125,170	

Basic Income

12. An **allocation of £3.5m** has been made as part of the 2024-25 Draft Budget to meet pressures associated with delivering the pilot, a key Programme for Government commitment.
13. The success of the pilot, combined with an increase in eligible individuals during the pilot phase, has meant that more care leavers have enrolled than originally estimated.

Digital Inclusion

14. Due to the significant pressures across public services, we have scaled back our work on Digital Inclusion and **reduced this budget by £0.5m**. Since 2019 the Social Justice and Health MEGs have invested £9.5m in digital inclusion services through the Digital Communities Wales programme. We continue to recognise the importance of tackling digital inequalities and have therefore protected the budget as far as possible. Our continuing investment will focus on maintaining the Digital Communities Wales programme whilst acknowledging that overall activity, outputs, and outcomes will be impacted by the budget reduction. The team will also seek to link up and work with other organisations focussing on digital inclusion and to continue to identify barriers to digital inclusion via stakeholder engagement work.

Supporting Communities

15. Our Supporting Communities budget provides support to a number of our key priorities including emergency food aid and fuel support. Although we have **reduced the indicative budget by £1.5m**, we have been able to maintain £1.5m of the planned uplift that was due to take place between the 2023-24 and 2024-25 financial years, which means that this budget will be £1.5m higher than it was in 2023-24.
16. This revised budget will enable us to continue to support emergency food as well as funding for emergency fuel support through the Fuel Bank Foundation which will enable us to continue to provide some emergency support to those who are not able to top up their pre-payment electricity meters next year and to support bulk purchase of fuels for those not on the gas grid and who cannot afford to pay for fuel. The revised funding will also enable us to continue our important work to implement the Child Poverty Strategy.

Equality, Inclusion and Human Rights

17. Our Equality, Inclusion and Human Rights budget supports our investment in a range of activity to address and tackle a broad range of inequalities. As part of

the Spending Review, we had planned to increase this budget by £2.017m between 2023-24 Final Budget and 2024-25 to £12.987m. Due to the financial challenges we have made decisions that will result in an overall reduction to this budget of **£3.214m** compared to the indicative budget. This reduces this budget by £1.197m compared to the 2023-24 budget. With adjustments in how we deliver across Equalities, we are able to maintain delivery against Programme for Government commitments supported within the BEL including those associated with the Anti-racist Wales Action Plan, LGBTQ+ Action Plan and Disability Rights Task Force work.

18. We will prioritise our grant schemes, adjust our approach to research and training, for example undertaking some research in-house, and focus programmes on where they will have greatest impact.
19. We have reduced the Period Dignity Grant by £400k during 2024-25; from £3.1m in 2023-24 to £2.7m in 2024-25. This reduction is based on previous levels of uptake of the grant. Given inflationary increases we will be dependent on exploring options to maximise value for money to support the same numbers of beneficiaries and locations.
20. Equalities and Inclusion grants and the provision of core funding to some specific organisations will continue. However, we are considering the scale of project-related awards and / or the overall numbers of awards made to fit within the overall budget.
21. The BEL has been allocated £3k non-cash as part of the 2024-25 Draft Budget which will be baselined into future years; this represents the depreciation of an intangible asset.

Chwarae Teg

22. Chwarae Teg has now closed, we have therefore **removed** the Chwarae Teg budget in 2024-25. We will work with stakeholders to co-design new activity in this area.

Public Appointments

23. A **reduction of £248k** will take place against the indicative 2024-25 budget. The remaining budget in 2024-25 will be used to deliver a new pilot job shadowing funded scheme with positive impacts for Black, Asian, Minority Ethnic people and disabled people

Equality, Poverty & Children's Evidence & Support

24. This budget was due to increase by £313k between 2023-24 Final Budget and 2024-25 to £1.949m. Due to the need to respond to the financial challenges across the public sector we have taken the decision that this planned uplift is no longer possible. The indicative budget will therefore reduce by **£313k**, however, overall, the budget is not reduced compared to the 2023-24 budget. The maintenance of the budget at the 2023-24 level is important as the evidence priorities of the Equality, Race and Disability Evidence Units (ERDEU) support the delivery of the Programme for Government commitment: Create a Race Disparity Unit alongside an Equality Data Unit to ensure an inclusive evidence base to inform decision making in government.
25. The key research projects undertaken by the Unit are designed to make fundamental and long-term changes to the availability, granularity, and quality of equality evidence by improving sample sizes and changing the way information is collected to make it more applicable to the equalities policy landscape in Wales. The projects aim to improve equalities data across policy areas and are key to us being able to support and measure the impact of key equality action plans including the Anti-racist Wales Action Plan, the work of the Disability Rights Taskforce, the LGBTQ+ Action Plan and the Child Poverty Strategy.

Support for the Voluntary Sector and Volunteers

26. We greatly value the contribution that the third sector and volunteers make in Wales supporting individuals across our communities. As part of the Spending Review we had planned to increase this budget by £1.8m between 2023-24 Final Budget and 2024-25 to £9.424m. Due to the considerable constraints on our finances and the pressures across the public sector we have been unable to continue with the level of this planned increase and have instead reduced the planned uplift to £830k; this is reflected in our BEL tables as a **saving of £0.970m** against this budget.
27. This BEL provides core funding for the third sector infrastructure that supports Wales' 40,000+ third sector organisations, over 95% of these organisations are micro or small. Third Sector Support Wales (TSSW) is a partnership between the Wales Council for Voluntary Action and the nineteen county voluntary councils (CVCs) across Wales.
28. The third sector plays a significant role in early intervention and prevention activities, without which there would be increasing pressure on acute services, mostly provided by the public sector.
29. The BEL uplift is being spent on the following two areas:
- TSSW - to respond to the increase demand for services, many of which are increasingly more complex, increase safeguarding support available to

organisations, for TSSW to develop strategic elements of support and enable County Voluntary Councils to cover cost-of-living pressures.

- Digital Skills for the Voluntary Sector – for the partnership (WCVA, Cwmpas and Promo Cymru) to continue delivering support and helping voluntary sector organisations to increase their capacity to respond to increasing service needs. This work involves developing tools, delivering training, and supporting leadership through the establishment of communities of practice.

Cohesive Communities

30. As part of the Spending Review, this budget was due to increase by £870k between 2023-24 Final Budget and 2024-25 to £5.580m. Due to the financial challenges we have been unable to proceed with this planned uplift and therefore the budget is reduced by **£870k** compared to the indicative budget. However, we are pleased to have been able to maintain the budget at its 2023-24 level despite the challenges we have faced.

31. This revised budget will still enable Welsh Ministers to implement commitments under the Programme for Government – notably completion of Anti-Racist Wales Action Plan commitments under the Nation of Sanctuary and Crime and Justice chapters, as well as the commitment to work with technology companies to address online hate and misinformation.

32. We will review individual project budgets to ensure that the available funding is directed towards areas of greatest need, providing inflationary uplifts where possible and making savings where demand for services has reduced.

Fire and Rescue Services

33. By realising savings from the restructuring of professional advice on fire matters, we have been able to release **£10k** from this budget. The remaining budget predominantly funds the Fire and Rescue Services' capability to respond to major incidents including flooding, chemical, biological, radiological, and nuclear incidents, and that will not be affected by this small reduction.

Fire and Rescue Services Communication System

34. The UK Government has committed to establishing the Emergency Services Mobile Communications Programme (ESMCP) to deliver the Emergency Services Network (ESN), a vital piece of critical national infrastructure. Welsh Government, as a Funding Sponsor Body, has been an integral part of this programme since its inception in 2015. We remain firmly committed to this technology and will work with partners to achieve a successful outcome. Since

2015 we have contributed financially to ESN development via our Fire and Rescue Service budgets. These contributions have been paid to the Home Office for programme development i.e., software / hardware build and planning for additional transmission masts.

35. The ESMCP Programme is currently progressing through a re-procurement of key elements and progress has been delayed which has resulted in underspends against this budget in recent years. We have therefore reduced this budget by **£1m** in 2024-25 based on the current Programme forecast for Wales. The existing Airwave / Firelink Emergency Services communications system is still operational so there will be no impact as a result of the savings identified within the budget line and we remain committed to working in partnership with others to deliver the new communications solution.

Community Fire Safety

36. Due to pressures on our resources we have taken the decision to reduce this budget by **£457k** in 2024-25 compared to the indicative budget. This has resulted in the cessation of the Arson reduction programme (£387k) as well as other smaller savings. Fire and Rescue Authorities have a statutory duty to promote fire safety and fire prevention and as such, we do not envisage any impact on the delivery of this work.

Community Support Officers

37. Due to significant pressures across the public sector, we have had to take the difficult decision to reduce our Community Support Officers budget by **£7.473m** compared with the indicative budget for 2024-25 to respond to these unprecedented challenges.

38. This will impact on the PfG Commitment to maintain funding for 500 PCSOs and more recent commitment to increase their number by 100. We will still invest £15.5m in Welsh Government funded Police Community Support Officers. We are working with policing partners in Wales to understand the implications of this revised budget and will work closely with them to minimise negative impacts.

39. We value the continued contribution made by our PCSOs in Wales and the ongoing funding will still support PCSOs who would not otherwise be in post. This is particularly notable given that policing is reserved to the UK Government.

Women's Justice & Youth Justice Blueprints

40. The **saving of £20k** against this BEL's indicative budget relates to funding that was not yet committed. Within the revised budget, we will continue to deliver our

key priorities including the Women's Pathfinder programme, the Visiting Mums initiative and the Women's and Youth Justice Blueprint programmes.

Social Partnerships

41. Placing social partnership on a statutory footing was part of the PfG commitment and the Co-operation Agreement which was achieved through the passing of Social Partnership and Public Procurement (Wales) Act. We have reduced the budget by **£161k** compared to our indicative 2024-25 budget, but this will not impact the implementation of the Act. The savings can be made from currently unallocated budgets and will therefore have minimal impact on what will be delivered by March 2025.

International Sustainable Development

42. The proposal to reduce the indicative budget for this BEL by **£225k** will impact our investment in the Wales and Africa Small Grants Scheme and the International Learning Opportunities (ILO) scheme. This will result in a pause to the ILO scheme in the 2024-25 financial year. Although this has been an impactful programme with clear benefits to both Wales and Africa, pausing the programme will provide an opportunity to reflect on how it could be better incorporated into wider Wales and Africa activity, adding value to existing project delivery. We will also reduce by 40% the Wales and Africa small grants scheme for the 2024-25 financial year. This will be disappointing for the sector, but there will still be £150k available in 2024-25 for Welsh organisations to apply for grant funding to deliver mutually beneficial projects across sub-Saharan Africa.

Commissioners' budgets

43. We greatly value the work of our commissioners and the contributions they make. Due to the considerable financial challenges we face, we have reduced commissioners' budgets by 5% in 2024-25 compared to their indicative budgets. This will result in a reduction of £84k for the Children's Commissioner and £85k for both the Older People's Commissioner and the Future Generations Commissioner.

44. Each commissioner will have to consider how to manage these budget reductions whilst delivering their priorities and we will work with them to offer our support in doing so. This saving has been made in line with Minister for Education and Welsh Language's decision to reduce the Welsh Language Commissioner's budget by 5% as well as with other decisions across Welsh Government to reduce the budgets of Arm's Length Bodies across a number of portfolios.

45. We will be working with the Commissioners to help reduce back-office costs and explore further shared services cost reduction.

46. Each Commissioner has submitted their statutory estimate for 2024 to 2025 as required by the respective Acts by the end of October before the next financial year. These estimates were:

Commissioner	2024 to 2025 indicative budget (February 2023)	Commissioner estimate	Draft budget 2024 to 2025 (December 2023)
Future Generations Commissioner	£1,695,000	£1,910,600	£1,610,000
Older People Commissioner	£1,675,000	£1,748,000	£1,616,000
Children's Commissioner	£1,675,000	£1,764,433	£1,591,000

Overview of changes to capital budgets between the 2024-25 indicative budget and the 2024-25 Draft Budget

47. There are no changes to the quantum of capital available to the Social Justice MEG in 2024-25. However, not all capital allocated in the 2024-25 indicative budget can now be utilised in 2024-25.

48. **The Community Bank BEL** had a budget of £1.75m in 2024-25. Monmouthshire Building Society pulled out of the plan to develop a Community Bank earlier this year. As a result, no capital in 2023-24 was utilised for this purpose. We understand from policy leads that there is no community bank proposition in hand and therefore the likelihood to deploy any of this capital in 2024-25 is extremely low. Realistically, any proposition put forward would take around 12 months to develop and assess from a legal and financial perspective.

49. We will continue attempts to identify a partner to take forward this policy and have retained a small amount of capital within this budget should a partner be identified during the financial year. However, the remaining capital from this budget has been reallocated in 2024-25 to support as many of our priorities and stakeholders as possible through the next financial year.

50. An allocation of **£600k** has been made as part of the 2024-25 Draft Budget to the **Community Facilities Programme BEL**, this will help fund the current pipeline of projects which exceeds the budget previously available.

51. We have allocated **£200k** to the **Women's Justice & Youth Justice Blueprints BEL** to take forward a proposal to improve facilities within a Secure Children's Home. This will provide young people with increased variety of activities helping them achieve positive outcomes, such as improved self-worth, engagement, social interaction, health, and wellbeing.

52. We have made small capital allocations to the **Older People’s Commissioner (£100k)** and **Children’s Commissioner (£20k)** to meet their capital requirements in 2024-25.
53. The **Fire and Rescue Services BEL** has been allocated **£250k** as part of the 2024-25 Draft Budget to replace equipment used to deploy high volume pumps to major flooding incidents as part of the National Resilience capability. The replacement is more environmentally friendly and offers better value for money in terms of its running costs.
54. A further **£100k** has been allocated to the **Community Fire Safety BEL**. This funding will be used to meet the increasing costs of home fire safety equipment.
55. An allocation of **£300k** has been made to the Local Food Partnerships through the **Supporting Communities BEL** to scale up capacity. The funding will be used to support the coordination of local food activity with a view to building local food resilience. The funding will support Local Food Partnerships to build and strengthen their links with local users and providers, through the development and delivery of local projects, including producers such as farmers and growers, local businesses and local markets. The funding will support the wider ambitions and actions of Welsh Government to support Emergency Food aid support and tackling food poverty.
56. The **Digital inclusion BEL** has been allocated **£50k** for the Minimum Digital Living Standard (MDLS) pilot to provide digital skills support.
57. An allocation of **£80k** has been made to the **Financial Inclusion BEL** to support Credit Unions in updating their banking platform during 2024-25. This will provide increased functionality and cyber security and support for a shared platform across credit unions in Wales.
58. The changes made against the Capital 2024-25 indicative budgets are set out in the table below:

BEL ref	BEL name	Indicative 2024-25 Position	2024-25 changes	Revised 2024-25 Position
1086	Supporting Communities	1,000	300	1,300
541	VAWDASV	2,200		2,200
1008	Gypsy Traveller Sites	3,440		3,440
1372	Community Facilities Programme	6,500	600	7,100
1265	Fire & Rescue Services	1,000	250	1,250
1697	FRS Communication System	210		210
1698	Community Fire Safety	900	100	1,000
1267	Women's Justice & Youth Justice Blueprints	0	200	200
662	Older People Commissioner	0	100	100
1694	Financial Inclusion	0	80	80
1084	Digital inclusion	0	50	50
480	Children's Commissioner	0	20	20
1088	Community Bank	1,750	-1,700	50
	TOTAL - General Capital	17,000	0	17,000
1694	Financial Inclusion (FT Repayments)	-42		-42
	TOTAL	16,958	0	16,958

Strategic Integrated Impact Assessments

59. This Government is fully committed to fulfilling the legislative requirements for all impact assessments, including where these relate to the assessment of our financial decisions.
60. The Strategic Integrated Impact Assessment published as part of the 2024-25 Draft Budget gives due consideration to the United Nations Convention on The Rights of the Child.
61. We continue to maintain that the integrated approach underpinning the SIIA enables us to better understand the intersectional and unintended impacts of spending decisions and to maximise the impact of available funding, reducing the disproportionate effect on any one specific group or area. To consider an area of impact in isolation risks unintended consequences such as the negative impact in one area being driven by a positive impact in another.
62. Our 2024-25 Draft Budget sets out within the SIIA at Annex A the impacts of our spending decisions as part of the main narrative in chapter four including spending decisions that directly impact on children and young people.
63. We will continue to engage with our Budget Improvement Impact and Advisory Group (BIAG), exploring how Welsh Government can better reflect children's rights in their improvement to budget and tax processes.

64. We have been working with Children in Wales, Young Wales Project Board and officials across Welsh Government, to co-produce a Young Person's version of the Budget Improvement Plan, which will be published alongside the 2024-25 Draft Budget. An animated version has also been developed to engage with young people and help them understand how the Welsh Government works and what the Welsh Treasury does. The animation is set to be launched in January 2024.
65. The purpose of the SIIA is to identify key trends, strategic and cumulative impacts at portfolio level, across a range of areas, including giving due consideration across the statutory requirements.
66. This ensures strategic Budget decisions reduce the disproportionate effect on any one specific group or area; helps identify opportunities to maximise positive impacts and reduce inequalities across our society
67. We have undertaken a range of engagement with key stakeholders throughout our preparations. These include maintaining our contact with delivery partners including the WLGA, through our Finance Subgroup (FSG). We have continued engagement with the WCVA and social partners to understand the pressures being felt by the third sector, key partners in delivering the policies vital for Wales. As part of the Budget preparations, we also met with the Future Generations Commissioner, the Older Peoples Commissioner, the Children's commissioner, and the deputy Commissioner for Welsh Language

Equality, Race and Disability Data Units

68. The funding allocated for 2023-24 to the Equality, Race and Disability Evidence Units was £1,636k. As at 11 December 2023 £786k of the budget had been spent. This was allocated as follows:

Equality, Race and Disability Evidence Units budget 2023-24		£k
Budget total		1,636
Staff		1,411
Operational		44
Research		181

69. All costs are fully allocated for 2023-24 as all staff are in place and research has been commissioned. Research costs are for the following projects which also extend into the research budget for 2024-25:
- Research into approaches to boost the National Survey for Wales to look at options to provide granular evidence for policy decisions by equality characteristics;

- Cognitive testing for sex and gender questions in Wales in line with Welsh Government policy;
- To assess how the LGBTQ+ action plan can be evaluated; and,
- Research into how the social model of disability can be measured

70. The funding expected to be allocated for 2024-25 is as follows

Equality, Race and Disability Evidence Units INDICATIVE budget 2024-25	£k
Budget total	1,636
Staff	1,400
Operational	20
Research	216

71. The Equality, Race and Disability Evidence Units were commissioned by Welsh Treasury to undertake a macro summary of the evidence on equality to highlight who would be the most impacted by funding cuts to inform Cabinet decisions. This involved drawing out where people who belonged to equality groups/those with protected characteristics had multiple intersecting characteristics that meant they would be more susceptible to negative impacts from cuts to certain services compared to people without multiple intersecting equality characteristics. This evidence is shown in the Strategic Context of the Strategic Integrated Impact Assessment of the 2024-25 Draft Budget.

72. Our data Census report on ethnicity and ethnicity sub report for the Well-being of Wales report have provided additional information for policy areas to assess decisions with an equality lens. All our research projects aim to make fundamental and long-term changes to the availability, granularity and accessibility of equalities information which will increase the evidence base for future policy decisions across the Welsh Government and public sector.

Inflation and the cost of living

73. We have re-shaped the indicative spending allocations within our budget to provide extra funding and protection for the services which matter most to people and communities across Wales – the NHS and the core local government settlement, which funds schools, social services and social care and other everyday services. We have done so in line with our principles to:

- Protect core, frontline public services as far as possible.
- Deliver the greatest benefit to households which are hardest hit.
- Prioritise jobs, wherever possible.
- Work in partnership with other public sector bodies to face this financial storm together.
- Re-focus funding away from non-devolved areas, which the UK Government should be funding.

74. In this context supporting households with the cost-of-living pressures remains a priority for the Welsh Government.
75. As an example, we are acting to protect the core local government settlement by maintaining the planned 3.1% increase between 2023-24 and 2024-25. Local authorities deliver a wide range of public services, often to the most vulnerable in our society and people who are economically disadvantaged. By taking this action we aim to protect, as far as possible, core funding for schools, social services and social care, bin collections and local leisure services
76. As a further example within the Social Justice MEG we have allocated £38.5m for the Discretionary Assistance Fund (DAF) to provide emergency support to those who need it the most. We have also protected key activities within other budgets including emergency food aid and some funding for emergency fuel support through the Fuel Bank Foundation within the Supporting Communities budget. This will enable us to continue to provide a level of emergency support to those who are not able to top up their pre-payment electricity meters next year and to support bulk purchase of fuels for people who are not on the gas grid and who cannot afford to pay for fuel. We will also continue our important work to implement our Child Poverty strategy.
77. The Wales Expert Group on the Cost of Living made a total of 29 separate recommendations in their report. These were set out under recommendations for the short term (September 23 and March 24), the medium term (April 24 and April 26) and the long term (May 2026 onwards).
78. The Minister for Social Justice and Chief Whip published the Expert Group report and recommendations in September 2023 following an Oral Statement in the Senedd. At the time the Minister noted that there are many recommendations within the report which the Welsh Government are already taking action on or will be able to take forward at pace. This includes actions relating to the short-term recommendations on helping people to maximise income, reducing the cost of the school day and on energy efficiency and affordability.
79. For this draft budget the main relevant recommendations from the Expert Group were those medium-term recommendations (April 24 to April 26). There are a number of recommendations which relate to the way in which we promote, align and evaluate activity which will continue to influence the way in which we deliver our programmes under the 2024-25 budget. There are some, for example the work on the Welsh Benefits Charter and the refreshed Child Poverty Strategy, which we are able to proceed with, and which will help to direct and inform the way we align our programmes across government and get the most out of our individual anti-poverty actions.

80. There are a number of recommendations, however, which, owing to the current budgetary pressures, we have not been able to take forward in the way that we would have wanted, and which will only be realised if significant additional funding becomes available. We will, however, continue to explore these opportunities in the event that the funding situation changes.
81. The First Minister has committed to publish a response to the Expert Group report and recommendations.
82. The Single Advice Fund (SAF) performance management reports demonstrate the demand for debt advice and income maximisation services is at an all-time high, with predictions that demand will continue to rise in the next financial year. The decision to protect the budget for the SAF in 2024-25 means people from disadvantaged and marginalised population groups will continue to have access to the advice and support they need to maximise their income and manage their debts.
83. The latest figures for the Discretionary Assistance Fund for 2023-24 show spend extremely close to the maximum budget available for the year, with concerns that demand will increase during winter. It is anticipated that this level of demand would continue into 2024-25 given the ongoing cost of living pressures and lack of alternative support schemes. On this basis the budget allocation for Financial Inclusion has been protected in full – recognising that the fund assists those who are most disadvantaged, marginalised and/or vulnerable.
84. The Minister for Social Justice recently agreed to make changes to the Individual Assistance Payment element of the DAF to mitigate the pressure on the budget and ensure we are providing as much support as possible to as many people as possible within the budget available.
85. In terms of taking decisions to re-prioritise funding to protect vulnerable households. Within the Social Justice MEG we have taken action to increase funding for our Basic Income Pilot by £3.5m to ensure we continue to provide the basic income payment without reducing either the amount paid or the length of time it is paid for. This will continue to support more than 600 young care leavers enrolled on the pilot.
86. We have also protected key activities within other budgets including emergency food aid and some funding for emergency fuel support through the Fuel Bank Foundation within the Supporting Communities budget. This will enable us to continue to provide a level of emergency support to those who are not able to top up their pre-payment electricity meters next year and to support bulk purchase of fuels for people who are not on the gas grid and who cannot afford to pay for fuel. We will also continue our important work to implement our Child Poverty strategy.

87. Within the Social Justice portfolio, we are protecting key areas of support and maintaining emergency help for people hardest hit by the ongoing cost-of-living crisis. However, to achieve this we have had to refocus funding away from activities where the Welsh Government has stepped in to fund non-devolved policy areas to compensate for UK Government shortfalls.
88. Across the wider Welsh Government budgets, to ensure no one is left out we have also protected an increase in the Homelessness Prevention budget. The increase of £2m is reduced from a previous £5m increase in the indicative allocations, reflecting the incredibly challenging budget setting round this year.
89. The Equality, Race and Disability Evidence Units were commissioned by Welsh Treasury to undertake a macro summary of the evidence on equality to highlight who would be the most impacted by funding cuts to inform Cabinet decisions.
90. This involved drawing out where people who belonged to equality groups/those with protected characteristics had multiple intersecting characteristics that meant they would be more susceptible to negative impacts from cuts to certain services compared to people without multiple intersecting equality characteristics. This evidence is shown in the Strategic Context of the Strategic Integrated Impact Assessment of the 2024-25 Draft Budget.
91. Our data Census report on ethnicity and ethnicity sub report for the Well-being of Wales report have provided additional information for policy areas to assess decisions with an equality lens. All our research projects aim to make fundamental and long-term changes to the availability, granularity and accessibility of equalities information which will increase the evidence base for future policy decisions across the Welsh Government and public sector.
92. Childcare is part of the Deputy Minister for Social Services portfolio and investment is funded through the HSS MEG.
93. Childcare is a key priority for the Welsh Government and we are investing heavily to ensure that families can access the childcare and play opportunities they need. Through the Childcare Offer for Wales and the Flying Start programme we have already invested more than £90m in childcare in Wales a year and we continue to be committed to expanding early years provision to all two-year olds in Wales.
94. In 2024-25 the Support for Childcare and Play (BEL0310) budget line has an allocation of **£82.378m**. This budget line covers a wide range of activities to support children and families to access childcare and play opportunities, as well as activities that support wider child development, and supporting the staff and settings that support them.
95. The Childcare Offer for Wales (the Offer) is a demand led programme providing 30 hours of government-funded early education and childcare for up to 48 weeks of the year for eligible parents in education/training and working parents of three and four year olds in Wales. A budget of £76.2m, has been allocated for the

Offer which includes: payments to childcare providers; funding to support the Additional Support Grant to help eligible children with additional needs to access the childcare element of the Offer; continuing to build the digital platform to support parents to seamlessly access this funding; and communication activity to ensure that families are aware of the funding they can access.

96. As part of our Cooperation Agreement with Plaid Cymru, we have committed to the expansion of early years provision for all 2 year olds across Wales through our Flying Start programme. The current phase of the expansion programme began in April 2023 and is focussing specifically on expansion of Flying Start childcare to more 2 year olds.
97. In 2024-25 we will be investing £24.3m in supporting more than 5,200 additional children to access high quality Flying Start childcare to support long-term, positive impacts on the lives of those children and families across Wales facing the greatest challenges. Focusing resources on our most disadvantaged communities in the first instance ensures that support reaches families in greatest need at the earliest opportunity.
98. The core Flying Start budget sits within the Children and Communities Grant (CCG). The Children and Communities Grant (CCG) addresses the needs of the most disadvantaged and/or vulnerable children, young people and adults in our society through a range of early intervention, prevention and support mechanisms. The programmes within this grant aim to mitigate or remove disadvantage to disadvantaged and/or vulnerable people to enable them to have the same life chances as others and contribute to a more equal Wales. The budget for the CCG in 2024-25 is £174.583m. Of this, £142.028m is Flexible Funding covering eight programmes, including core Flying Start.
99. The Deputy Minister for Health and Social Services also funds a multitude of other programmes that support the sector and childcare and playwork workforce more generally, as well as programmes that support child development, for example the Training and Support programme for the sector, the Talk with me programme and funding for Cwlwm, Play Wales and Social Care Wales, all of whom offer the sector advice and support. In addition, Welsh Government also supports the sector more broadly for example through business rates relief.

Fuel poverty

100. Between 2010 and the end of March 2023, £450m has been invested to improve home energy efficiency through the Warm Homes Programme, benefitting more than 77,000 lower income households. More than 198,000 people have received energy efficiency advice through the Warm Homes Programme since its launch in 2011.
101. During 2022-23 the Warm Homes Nest scheme provided 21,959 households with free, impartial advice and signposting to a range of support services. 4,364 eligible households received a home energy improvement package, such as a central heating system, a boiler, insulation, solar panel PV or an Air Source Heat

Pump. These improvements are estimated to have saved households £422 on their annual energy bills. Benefit entitlement checks resulted in a household average £2,457 potential increase in benefit take-up, increasing benefit take up by £985k last year.

102. The Warm Homes Programme is funded from the Climate Change MEG and the Minister for Climate Change published a policy statement on the new Warm Homes Programme following consultation and a review of the existing and predecessor schemes. The future scheme, which we aim to be fully operational by 1 April 2024, will address the twin challenges of climate change and fuel poverty.
103. We are also providing a total of £352,000 of funding, alongside technical advice, to local authorities across Wales to leverage greater funding from UK wide schemes such as ECO Flex and the Great British Insulation Scheme.
104. Through the Social Justice MEG, we continue to work with the Fuel Bank Foundation to provide support to households on pre-payment meters who are struggling with the cost of topping up their energy and to support those off grid to purchase bulk fuel such as oil and LPG to heat their homes. Support will be provided from within the Supporting Communities budget where with an indicative £500,000 of the £2.664m budget allocated, however this may be varied depending on demand.

Child poverty

105. When we developed our budget for 2024-25 we did so in line with our core principles of protecting frontline public services and we continue to provide targeted support to those at greatest need.
106. Persistently high inflation, which has not been recognised in our funding settlement, means we are facing the toughest financial situation since devolution. Some of the very difficult decisions we have had to make in 2023-24 will have impacts into 2024-25 and have been reflected in the draft Budget.
107. To reduce the impact on services, we have made decisions to reduce spending by reprioritising or deferring activity, rather than cutting or ending programmes. This means that many of those programmes that we have identified within the Child Poverty Strategy as integral to delivering our objectives will continue to deliver for children in poverty albeit at a lower scale than we would have liked.
108. We have re-shaped the indicative spending allocations within our budget to provide extra funding and protection for the services which matter most to people and communities across Wales – the NHS and the core local government

settlement, which funds schools, social services and social care and other everyday services which directly impact on children.

109. We have taken this approach to ensure we continue to focus funding where it can have the most positive impacts in the circumstances and taking action to ensure we mitigate direct impacts to people and places, as far as possible. Spending more in some areas means there is less to spend in other areas. Where hard decisions have been required, we have sought to identify those areas where the relative impacts are lesser than their alternatives and we have sought to take action to mitigate impacts as far as possible.

110. For example we are acting to protect the core local government settlement by maintaining the planned 3.1% increase between 2023-24 and 2024-25. Local authorities deliver a wide range of public services, often to the most vulnerable in our society and people who are economically disadvantaged. These include significant services for children, through education.

111. This protection we have given to the core local government funding settlement means we have also protected school funding, as far as possible. However, given the scale of the pressures we are facing, it has not been possible to avoid all impacts on children and young people. We have acted to minimise these impacts as far as possible within the funding available.

112. Our 2024-25 Draft Budget sets out within the SIIA at Annex A the impacts of our spending decisions as part of the main narrative in chapter four including spending decisions that directly impact on children and young people.

Preventative spend

113. As we have reshaped our spending plans for 2024-25, we have also been guided by the principles embedded in the Wellbeing of Future Generations Act. We maintain our commitment to respect these principles as we progress and reflect and adapt where necessary. In this context:

- **Long term** – We have needed to act in the short term to protect the core services on which people rely to ensure they are sustainable into the future.
- **Prevention** – Within the extremely challenging settlement we have had to act to prevent the worst impacts to core services. While it has not been possible to avoid all negative impacts we have ensured as far as possible we mitigate direct impacts to people and places.
- **Integration** – we have maintained our approach of understanding the integrated impacts of the choices we are taking. In deploying our limited funding we have considered where funding can be allocated to achieve the

best possible impact balanced against the negative impacts of needing to reduce funding in other areas.

- **Collaboration** - As we move beyond this budget we will work with our wider partners to deliver on our plans and support them in meeting the challenges posed by this fiscal context.
- **Involvement** – Throughout this budget we have engaged with social partners including the third sector, local authorities and Statutory Commissioners to understand the impacts of the current context to shape our spending plans.

114. There are 50 national well-being indicators for Wales that are designed to measure the progress of Wales towards the seven well-being goals. Each year the Chief Statistician prepares and publishes an Annual Well-being of Wales report which provides an assessment of progress towards the well-being goals based on the national indicators.

Gender-based violence

115. The VAWDASV budget is £8.005m which has not changed from the indicative budget previously published. Of course, there are many other programmes and budgets which contribute to the objectives of our National Strategy, such as healthy relationships' work in education, funding for refuges and other supported housing through the Supported Housing Grant, which sit outside the Social Justice MEG.

116. The SIIA process undertakes an integrated approach to impact assessments to enable us to better understand the impact of spending decisions. In embedding gender-responsive principles this includes seeking to better understand the intersectional and unintended impacts of spending to maximise the impact of available funding.

117. For example we have protected funding for the Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) budget at £8m due to continuing demand against this budget and given the importance of protecting those experiencing VAWDASV from physical, emotional and mental harms as well as changing attitudes and culture.

118. As part of our Budget Improvement Plan working with a range of internal and external colleagues, we have continued to promote a better understanding of gender budgeting across Welsh Government. The gender budgeting pilots which were conducted in 2022-23 have shaped our understanding of how this work can be further embedded and expanded. We are in the process of considering next steps to further embed these approaches in our budget and tax processes.

119. Welsh Government's core VAWDASV funding is distributed between a number of programmes and projects which each have their own deliverables and targets. Overall the funding is allocated in order to deliver our National Strategy 2022/2026. The objectives of the strategy are to:
- Challenge the public attitude to violence against women, domestic abuse and sexual violence across the Welsh population.
 - Increase awareness in children, young people and adults of the importance of safe, equal and healthy relationships.
 - Hold those who commit abuse to account and support those who may carry out abusive or violent behaviour to change their behaviour.
 - Make early intervention and prevention a priority.
 - Relevant professionals are trained.
 - Provide all victims with equal access to appropriately resourced, high quality, needs-led, strength-based, inter-sectional and responsive services across Wales.
120. We are working through of National VAWDASV Partnership to deliver against these objectives with the VAWDASV budget contributing alongside those of partners to achieve these objectives.
121. There are no specific ring-fenced budgets within the overall budget for survivor support services such as shelters, hotlines and counselling. There are, however, specific funding awards to delivery partners which funds refuges, hotlines and other support services. Some of these awards are made by regional partnerships who are allocated a budget for this from the overall VAWDASV BEL and some are funded directly by Welsh Government. All Welsh Government awards are currently unchanged, as are the regional allocations.
122. The National Strategy is built on a public health approach which requires changes to societal attitudes to violence against women and girls. Evaluating the extent to which attitudinal change has occurred is complicated and challenging. However, we do evaluate the impact and reach of specific campaigns. The Sound campaign addresses sexist attitudes amongst young men and boys. It has achieved significant levels of public engagement. Over 11 million people have viewed the footage globally, approximately 345,000 of those were men aged 18-34 in Wales who are, of course, the target audience. The campaign has also been successful in recruiting sporting ambassadors such as three current Welsh male football internationals. Whilst we do not have the means to evaluate or attribute change, there are reasons to regard this level of engagement as a success.
123. Impact assessment covers the full range of protected characteristics. Gender is recognised as a protected characteristic under the Equality Act. All budget decisions are impact assessed and therefore all decisions are assessed for gender impact as a matter of course. This includes the impact assessment undertaken as part of the development of the National Strategy.

124. The SIIA process undertakes an integrated approach to impact assessments to enable us to better understand the impact of spending decisions. In embedding gender-responsive principles this includes seeking to better understand the intersectional and unintended impacts of spending to maximise the impact of available funding.
125. For example, we have protected funding for the Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) budget at £8m due to continuing demand against this budget and given the importance of protecting those experiencing VAWDASV from physical, emotional and mental harms as well as changing attitudes and culture.
126. As part of our Budget Improvement Plan working with a range of internal and external colleagues, we have continued to promote a better understanding of gender budgeting across Welsh Government. The gender budgeting pilots which were conducted in 2022-23 have shaped our understanding of how this work can be further embedded and expanded. We are in the process of considering next steps to further embed these approaches in our budget and tax processes.

Voluntary sector

127. The Welsh Government continues to fund Third Sector Support Wales (TSSW - comprising Wales Council for Voluntary Action and 19 County Voluntary Councils) to support the wider third sector across the whole of Wales – more than 40,000 organisations of all sizes and covering the full spectrum of Welsh social and economic life.
128. TSSW provides wide-ranging support across the challenges facing the sector, including advice on funding, governance, staffing and legal issues. Core funding for TSSW has been maintained in the 2024-25 budget.
129. The Welsh Government has not undertaken recent research on the value for money offered by the third sector, but is aware of ongoing discussions at UK level between the voluntary sector and UK Government with a view to producing a satellite account for the third sector.
130. In 2022, a [report](#) by Danny Kruger, Conservative MP for Devizes, which was commissioned by the then Prime Minister Theresa May, was produced with a view to strengthening the capacity of civil society. One recommendation was that the Office for National Statistics (ONS) should prepare a set of satellite accounts for the third/voluntary sector. The report outlines shortcomings in the available data relating to the scope and impact of the sector generally.
131. Evidence from organisations like Lloyds Bank Foundation (Value of Small Study) highlights the distinct services small/medium local third/voluntary sector

organisations provide to their communities. This is as a result of understanding the service user needs better, are more flexible and because of their status are more attractive to vulnerable service users.

SOCIAL JUSTICE						
RESOURCE						
Budget Expenditure Line	2023-24 Final Budget	2023-24 1st Supplementary Budget	2024-25 Indicative Plans	Changes	2024-25 Draft Budget	Explanation of changes between First Supplementary Budget 2023-24 and Draft Budget 24-25
	£000s	£000s	£000s	£000s	£000s	
Basic Income	12,200	12,200	7,200	3,500	10,700	An allocation of an additional £3.5m has been made to the Basic Income BEL as part of the 24-25 Draft Budget due to uptake of the pilot being higher than originally anticipated.
Financial Inclusion	39,002	39,002	39,002	0	39,002	No change to 24-25 Draft Budget
Digital Inclusion	1,250	2,250	1,250	-500	750	2023-24 First Supplementary included budget transfer in of £1m from HSS MEG for extension of digital inclusion and health procured programme. 2024-25 Draft budget reduction by £500k from indicative plans. We continue to recognise the importance of tackling digital inequalities and have therefore protected the budget as far as possible.
Digital Inclusion - Non cash	149	149	149	0	149	No change to 24-25 Draft Budget
Supporting Communities	1,164	1,660	4,164	-1,500	2,664	2023-24 First Supplementary budget transfer in of £0.496m from FLG MEG for the Ukraine Digital Platform. 2024-25 Indicative Budget due to increase by £3m. 2024-25 Draft budget reduced by £1.5m compared to the indicative budget. This revised budget will still enable us to continue to support emergency food (£1m) as well as funding for emergency fuel support (£0.5m) through the Fuel Bank Foundation; though at a reduced rate. It will also enable implementation of the Child Poverty Strategy - supporting collaboration and co-ordination activity
International Sustainable Development *	1,275	1,375	1,275	-225	1,050	2023-24 First Supplementary budget transfer in of £0.1m from CSA MEG for The Wales in Africa programme - Mobile Tree Planting project 2024-25 Draft budget has been reduced by £225k. This will impact our investment in small grants and Hub Cymru Africa. However, the BEL will still be able to continue to run the International Learning Opportunities (ILO) scheme.
Social Partnerships	961	961	961	-161	800	24-25 Draft Budget reduced by £161k compared to our indicative 24-25 budget, but this will not impact the implementation of the Act. The savings can be made from currently unallocated budgets and will therefore have minimal impact on what will be delivered by March 2025.
Action: Total Supporting Communities	56,001	57,597	54,001	1,114	55,115	
Fire & Rescue Services	2,533	2,533	2,533	-10	2,523	24-25 Draft Budget reduced by £10k from this budget which has been possible due to realising savings against the retendering of a contract.
Fire & Rescue Services - Communication Systems	2,275	2,275	2,275	-1,000	1,275	24-25 Draft Budget reduced by £1m based on the current Programme 24-25 forecast for Wales. We have been able to identify this saving due to programme slippage and due to delays caused by the re-procurement of new suppliers.
Community Fire Safety	848	848	848	-457	391	24-25 Draft Budget reduced by £457k compared to the indicative budget for 24-25. This has resulted in the cessation of the Arson reduction programme (£387k) as well as other smaller savings including the cessation of funding to support the secondment of an Occupational Therapist to South Wales Fire and Rescue Authorities' and a reduction in funding to support the Armed Forces Day which may result in some scaling back of activities compare to previous years.
Action: Total Fire and Rescue Services and Resilience	5,656	5,656	5,656	-1,467	4,189	
Older People Commissioner	1,701	1,687	1,701	-85	1,616	2023-24 First Supplementary budget transfer in of £0.002m from Reserves - IFRS 16 (non-ringfenced); and Transfer out of £0.016m (to non-cash line) - IFRS 16 (Reduction RDEL 2024-25 Draft budget decreased by £85k
Older People Commissioner - Non cash	9	25	9	0	9	2023-24 First Supplementary budget transfer in of £0.016m from Reserves - IFRS 16 (Depreciation) No change to 24-25 Draft Budget
Children's Commissioner	1,675	1,646	1,675	-84	1,591	2023-24 First Supplementary budget transfer out of £0.029m to Reserves (non cash) - IFRS 16 - Reduction of RDEL 24-25 Draft budget decrease of £84k
Children's Commissioner - Non cash	52	81	52	0	52	2023-24 First Supplementary budget transfer in of £0.029m from Reserves - IFRS 16 (Depreciation) No change to 24-25 Draft Budget
Public Appointments	400	400	400	-248	152	24-25 Draft Budget decrease of £248k. The remaining budget in 2024-25 will be used to deliver a new pilot job shadowing scheme which will ensure pay parity for people who undertake job shadowing. There will be positive impacts in terms of Black, Asian, Minority Ethnic, disabled and LGBTQ+ people who will be paid fairly for their part in job shadowing schemes.
Future Generations Commissioner Wales	1,695	1,695	1,695	-85	1,610	24-25 Draft budget decrease of £85k
Action: Communities	5,532	5,534	5,532	-502	5,030	
Violence against Women, Domestic Abuse and Sexual Violence	8,005	8,144	8,005	0	8,005	2023-24 First Supplementary budget transfer in of £0.139m from CC MEG for Street life projects. No change to 24-25 Draft Budget
Action: Violence against Women, Domestic Abuse and	8,005	8,144	8,005	0	8,005	
Equality, Inclusion and Human Rights	10,970	10,970	12,987	-3,214	9,773	24-25 Indicative Budget due to increase by £2,017k compared to the 23-24 budget 24-25 Draft budget decrease of £3,214m. Despite this reduction we are able to maintain delivery against all Programme for Government commitments supported within the BEL.
Cohesive Communities	4,710	5,081	5,580	-870	4,710	2023-24 First Supplementary budget transfer in of £0.200m from Education MEG for ESOL REACH+Hubs; and £0.171m from CC MEG for the Refugee Well Housing project. 24-25 Indicative Budget due to increase by £870k compared to the 23-24 budget 2024-25 Draft budget reduced by £870k compared to the indicative budget.
Equalities, Poverty and Children's Evidence & Support	1,636	1,636	1,949	-313	1,636	24-25 Indicative Budget due to increase by £313k compared to the 23-24 budget 2024-25 Draft budget reduced by £313k compared to the indicative budget.
Chwarae Teg	366	366	366	-366	0	Chwarae Teg has now closed, so the whole budget of £366k has been removed, we have therefore removed the Chwarae Teg budget in 2024-25. We will work with stakeholders to co-design new activity in this area.
Action: Equality, Inclusion and Human Rights	17,682	18,053	20,882	-4,763	16,119	
Advice Services	11,675	12,811	11,675	0	11,675	2023-24 First Supplementary budget transfer in of £1.136m from Reserves for share of Financial Levy No change to 24-25 Draft Budget
Action: Advice Services	11,675	12,811	11,675	0	11,675	
Support for the Voluntary Sector and Volunteering	7,624	7,624	9,424	-970	8,454	24-25 Indicative Budget due to increase by £1.8m compared to the 23-24 budget 24-25 Draft Budget increase of £803k
Action: Support for the Voluntary Sector and Volunteering	7,624	7,624	9,424	-970	8,454	
Community Support and Safety	22,981	22,981	22,981	-7,473	15,508	24-25 Draft Budget reduced by £7.473m compared the indicative budget for 24-25. The saving is based on a reduction of Welsh Government funded PCSOs down from 510 at the end of 2023-24 to 300 by the end of 2024-25. These estimates and the saving realised in practice will depend on churn etc and could be lower.
Action: Community Support and Safety	22,981	22,981	22,981	-7,473	15,508	
Women's Justice & Youth Justice Blueprints **	1,092	1,092	1,092	-20	1,072	24-25 Draft Budget reduced by £20k due to uncommitted expenditure
Action: Female Offending and Youth Justice Blueprints	1,092	1,092	1,092	-20	1,072	
MEG: SOCIAL JUSTICE	136,248	139,492	139,248	-14,081	125,167	
to be added at 2nd Supp 23-24 Budget						
Equality, Inclusion and Human Rights - Non Cash	0	0	0	3	3	£3k from Reserves towards non-cash
MEG: SOCIAL JUSTICE	136,248	139,492	139,248	-14,078	125,170	

Formerly
International Development *
Female Offending and Youth Justice Blueprints**

Jane Hutt AS/MS
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip
Minister for Social Justice and Chief Whip



Llywodraeth Cymru
Welsh Government

Jenny Rathbone MS
Chair of the Equality and Social Justice Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

31 July 2023

Dear Jenny,

Thank you for the Committee's report on the In-year financial scrutiny: 2023-24 outlining 12 questions for the Welsh Government.

Please find enclosed the Welsh Government response to these questions.

Yours

Jane Hutt AS/MS
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip
Minister for Social Justice 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.

**Response to Equality and Social Justice Committee:
In-year financial scrutiny: 2023-24**

Cost of Living

Welsh Government preparedness for the cost of living challenges that will arise this winter and any additional action you may be able to take to support the most vulnerable households?

- A Cabinet Sub-Committee on the Cost of Living has been established to provide strategic direction to the Welsh Government's response to the cost-of-living crisis. Its work is informed by the evidence of experts, service providers and organisations supporting people struggling with rising costs, including the voice of those with a lived experience, to help inform our preparations for winter.
- We continue to support disadvantaged households in Wales to mitigate the impact of the cost of living crisis through programmes which provide targeted support to alleviate financial pressures; these include: the Discretionary Assistance Fund; action to maximise incomes including our Here to Help campaign; and initiatives that deliver the social wage in Wales like our Council Tax Reduction Scheme, which helps keep money in people's pockets. During 2022-23 and 2023-24, this support was worth more than £3.3bn.
- Our [policy statement](#) on the new Warm Homes Programme sets out our long term commitment to a just transition to net zero through the twin objectives of tackling fuel poverty and the climate emergency.
- Many of the initiatives that supported people in 2022-23 with cost of living pressures, such as the Wales Fuel Support Scheme, were only possible because significant funding was allocated through the 2022-23 budget. We repurposed our budgets to prioritise funding for household that were hardest hit by the crisis.
- Unfortunately, our funding allocation from the UK Government is insufficient to enable us to repeat many of these schemes in 2023-24. In addition, our budgets are worth considerably less than when our plans were originally published in December 2021.
- We are considering what additional action can be taken this winter in light of the challenging financial position we are in. Our decisions will be informed by the recommendations of the Cost of Living Expert Group on where we can have most impact.
- In the longer term, our 10 year draft Child Poverty Strategy sets out our objectives for improving outcomes for children and families. The draft Strategy is currently out to [consultation](#) and we would welcome your views.

Has the Expert Group on the Cost of Living made its recommendations to the Welsh Government yet? If so, when can we expect these to be shared with the Committee (see also the response to the Draft Budget 2023-24 report).

- Initially it was anticipated that the Expert group would report to the Cost of Living Cabinet Sub Committee in June. The Minister for Social Justice and Chief Whip and the First Minister met with the Expert Group in May 2023 to discuss progress. At that meeting the Expert Group asked for additional time to formulate their recommendations.
- It is expected that the Expert Group will now submit their recommendations in a report by the end of July 2023.
- The Cost of living Cabinet Sub Committee will formally consider this report following recess.

Please provide details of the budget monitoring of Discretionary Assistance Fund (DAF) demand. Has there been any revision of the allocations made in the draft budget for 2023-24 in response to the outcome of that monitoring?

- The monthly figures indicate that the DAF is operating within budget. The quarterly *target* spend is £8.5m, and for the first quarter (April – June 2023) *actual* figures show a spend of £8.1m. However, officials are aware that demand on the DAF is very likely to increase in the autumn/winter quarters with fuel costs predicted to rise. Officials are monitoring the DAF expenditure extremely closely. There has been no revision to the DAF allocations made in the draft budget for 2023-24.

Has the evaluation of the Single Advice Fund been concluded and if so, can it be shared with the Committee?

- The evaluation of the Single Advice Fund (SAF) is currently ongoing. The review is employing a mixed method approach. Through quantitative methods the research will determine if the SAF collaborative delivery model has reached more disadvantaged and marginalised groups than the historical Welsh Government advice service funding streams and if people with multiple welfare problems are being helped.
- The qualitative research will provide valuable insights from people who have accessed SAF services. For example, their experiences of engaging with a service and the impacts of doing so, i.e., did they find the solution to their problems, have they developed more confidence in their own ability to deal with future welfare problems, etc. The review will be completed in the Autumn, and I will share the findings with the Committee.

In line with recommendation 10 in our report Unsustainable: debt fuelled by the rising cost of living, and recommendation 6 in our Draft Budget 2023-24 report, when do you expect to publish final figures regarding uptake for the

Fuel Voucher Scheme against the targets set when the scheme was launched, both in relation to prepayment meters and off-grid households?

- As set out in our response to recommendation 10 of the ESJ Committee report *Unsustainable: debt fuelled by the rising cost of living*, up to the end of March 2023, the Fuel Bank Foundation had issued 19,561 vouchers to support households which could not afford to top up their pre-payment meters. Allocations of fuel vouchers increased significantly with the development of the referral network Wales which increased from 6 partners at the point when the funding was allocated, to over 100 partners by the end of March 2023. At the end of March 2023, the remaining funding was used to purchase pre-payment meter vouchers which will be issued in Wales throughout 2023 as demand requires. The number issued since the project began is now 25,202. We will not know the final uptake figure for the Fuel Voucher Scheme until 2024.
- The Welsh Government also agreed that the Fuel Bank Foundation could run a pilot to purchase heated throws as an alternative approach to supporting people in fuel poverty. The pilot sought to heat the person not the home and 968 heated throws have been allocated to Welsh households.
- By the end of March, a further 184 households received help to purchase off grid fuel. The Fuel Bank Foundation continues to provide crisis oil tank top ups across Wales in its capacity as a charity, although demand is currently less due to the summer weather and the seasonal drop in oil prices.
- To date, these interventions have supported 63,614 people of whom 43% were children.

Violence against women, domestic abuse and sexual violence (VAWDASV) and migrant women

The Welsh Government accepted recommendation 3 of our report Violence Against Women, Domestic Abuse and Sexual Violence: migrant women to support migrant women with No Recourse to Public Funds (NRPF), and we welcome your statement on 4 July 2023 which confirms a pilot of the Migrant Victim of Abuse Support Fund.

The Welsh Government also accepted the Committee's recommendation in its Draft Budget report 2023-24 that it should clarify how the crisis fund will be funded. We understand that resources will be diverted from the existing VAWDASV budget.

Please confirm how much has been allocated to the fund and the evidence base for arriving at that figure. What assessment, if relevant, has the Welsh Government undertaken to assess the impact of diverting resources from existing VAWDASV services and activity. Alternatively, please can you provide details of where the cuts have been made.

- The NRPF pilot has been funded on an affordable basis, using £150k from the existing VAWDASV budget and therefore it has not been necessary to divert funding from other existing activities and services.
- The budget for the pilot was agreed following a comprehensive assessment of the data available in relation to need. Officials were able to draw on feedback and learning from the Support for Migrant Victims (SMV) scheme which highlighted, amongst other issues, where funding was insufficient, for example in covering accommodation for refuge places. From this, officials were able to build a picture of how much funding was needed to deliver the essential elements of the scheme and develop options for the initial in-year pilot.
- The pilot design has taken account of affordability issues and also recognised that Public Health Wales (PHW) are currently undertaking research in this area. The pilot, while not filling all the identified gaps, will go a considerable way towards doing so and provide additional evidence of benefits and remaining need, to inform future funding decisions. This will also provide scope to learn from the PHW research when it is completed, as well as taking into account future actions by the UK Government in relation to the SMV scheme.
- On this basis, £150k has been allocated to BAWSO as a grant to deliver the pilot during 2023/23, seeking to provide the following:
 - Top up the subsistence funding to victims under the SMV scheme to match the funding amount available under the Destitution Domestic Violence concession.
 - Subsidise additional funding to extend the time survivors can stay in supported accommodation whilst legal support is sought and more permanent status is processed (approximately 4 weeks per victim).

- Provide additional funding if required (if ineligible under the Social Service and Wellbeing (Wales) Act 2014), for families ineligible for refuge spaces (e.g. victims with three or more minors).
- Provide funding to support up to an additional 15 victim/families and include an arrangement to remain in their own home if a perpetrator can be removed.
- Approximately 5% additional costs for additional accommodation above the standard timescales for exceptional cases.

Equality and human rights

Please set out the impact of the reduction in EU funding on Wales-based organisations, specifically Chwarae Teg and Welsh Council for Voluntary Action (WCVA). What assessment has been made of the impact on delivery of Welsh Government equality plans. What consideration has been given to developing new funding streams to fill the gap in EU funding?

- WCVA were managing circa £5/6m a year in grants to organisations through the Active Inclusion Fund and the Social Business Growth Fund. The loss of these programmes has resulted in WCVA losing approximately 30 roles, both staff working wholly on EU-funded programmes as well as other staff from a loss of support for overhead costs. This has meant that WCVA has lost a number of very experienced staff from the employability sector who provided advice on a range of topics such as governance, procurement, financial controls and monitoring and evaluation, as well as grant support.
- In wider terms WCVA have also been integral to supporting the Third Sector with accessing EU funds, ensuring the voice and view of the Third Sector was part of the governance of EU funds. We are aware that currently no such funds, role or governance arrangements exists under UKSPF to replace that role.

Background

- It is estimated that under the 2000-2006 European Structural Funds programmes the Third Sector accessed over £224 million and in the 2007-2014 funding cycle it was awarded over £105 million. Under the current 2014-2020 programmes the Third Sector has led operations worth over £138 million.
- Third Sector organisations have had a significant involvement in ESF funded employability and skills programmes, such as WCVA's Active Inclusion Fund, which helped voluntary organisations support some of the most marginalised and disadvantaged in society on their journey towards employment. Since 2015 Active Inclusion awarded over £30 million in grant funding to more than 180 organisations and helped over 23,000 disadvantaged people to move into or closer to employment. The Fund had a calculated 'social return on investment' of approximately £3.37 of benefit generated for every £1 spent.
- Over the past two decades the Structural Funds have been successfully used to stimulate the growth and development of the social business sector in Wales with the help of the European Regional Development Fund. In the current funding

programme WCVA's Social Business Growth Fund and Community Asset Development Fund awarded £4.8 million across 59 social businesses which created 282 jobs.

Experiences in the criminal justice system

As referenced in our report Women's experiences in the criminal justice system, can you confirm whether any costings have been developed of the proposed Residential Women's Centre pilot, including the financial impact on local public services.

- The Ministry of Justice will bear the cost of the proposed Residential Women's Centre pilot. The 12 women residents will continue to access local public services whilst at the centre. As the women will already be living in the local area we do not expect this to have an impact on costs. Any additional services provided will be funded by the Ministry of Justice.

Can you confirm whether a sustainable funding stream for women's centres is now in place.

- A key priority for the next phase of work on the Women's Justice Blueprint is to develop a robust approach to non-residential women's centres across Wales. Centres such as the North Wales Women's Centre in Rhyl and the Nelson Trust Centre in Cardiff provide a valuable range of services including support to manage and overcome substance misuse, childcare support, access to sanitary products and help with the cost of living. We are currently considering the different models of women's centre to understand the best approach for Wales, and this work will draw on the findings of the Committee's inquiry into women's experience of the justice system.

Has the tender for the new Women's Pathfinder Whole System Approach Specification, mentioned in response to recommendation 5, now been published?

- The tender for the Women's Pathfinder Whole System Approach Specification is undergoing final checks and approvals. We expect the tender to be published over the summer.

Budget improvement

Please provide an update on recommendation 10 in the Draft Budget report 2023-24. Can you set out what action has been taken to develop your work on prevention.

- Welsh Government recognises the importance of prevention in the budget setting process. The preventative work that we have undertaken is seen as part of the wider work of the Budget Improvement Plan (BIP) which is updated and published annually alongside the Draft Budget. Our BIP outlines the actions we are taking on prevention.
- Through our Budget Improvement Impact Advisory Group (BIIAG) we are engaging with key stakeholders on improving budget processes. In January 2023, we delivered a presentation to BIIAG stakeholders on prevention so that stakeholders could better understand this complex area. Prevention is a key part of the BIIAG work plan for 2023 and a sub-group has been set up to specifically look at how we can embed prevention into our budget processes. This work is ongoing and will be completed in December 2024.
- We are also considering what further steps we might take as part of our 2024-25 Budget preparations.
- We will provide a further update in our Budget Improvement Plan in line with our established practice when it is published alongside the 24-25 Draft Budget.

We ask that you reconsider your position on recommendations 11 and 12 in the Draft Budget 2023-24 report, which were rejected at the time. We are concerned that publishing a summary of all Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG is not an adequate response to our recommendation.

We would like to see how you intend to provide greater clarity and transparency in the way next year's budget is presented. How do you intend to address criticism of the current approach to Strategic Impact Assessments? Will you commit to publishing a distributional analysis with the Draft Budget 2024-25?

- With regards recommendation 12 our position remains that this is rejected.
- For recommendation 11 we are prepared to accept this in principle on the basis we continue to outline the steps we are taking to reform budget and tax process improvements as part of our Budget Improvement Plan, which is published alongside the Draft Budget. This year we have worked collaboratively with the Budget Improvement Impact Advisory Group (BIIAG) to explore how we undertake the Strategic Integrated Impact Assessment (SIIA); this has included some changes within the SIIA published as part of the 2023-24 Draft Budget. Further longer-term actions are being explored through continued working with

the BIIAG to review our approach to assessing impacts of budget decisions as part of the Budget Improvement Plan (BIP).

- At this early stage of the 2024-25 Budget process and the uncertainties we are facing, we are not in a position to provide an update on clarity and transparency as to how next year's Budget will be presented at this time.
- It also remains important to recognise that this SIIA outlines the contextual evidence that has supported our spending decisions. It is just one of a suite of documents published as part of our Draft Budget, with the impact of spending decisions outlined as part of the main narratives in chapter four, complemented by the SIIA at Annex A. Following publication of the Draft Budget, we published an extensive summary of all Ministers' written evidence to Senedd Scrutiny Committees on allocations within each MEG. This provides a more detailed account as to how Budget decisions have impacted on different groups.
- An updated distributional analysis of devolved public spending in Wales will be published alongside the 2024-25 Draft Budget.

Jane Hutt MS

Minister for Social Justice and Chief Whip

5 July 2023

Dear Jane

In-year financial scrutiny: 2023-24

Thank you for accommodating our request to use our scheduled scrutiny session in September for your contribution to our inquiry into the public health approach to preventing gender-based violence. However that means that our planned general scrutiny session will no longer go ahead. We would therefore welcome a written response to the following, including updates to recommendations made in our report on the [Draft Budget 2023-24](#), and other reports:

Cost of Living

- Welsh Government preparedness for the cost of living challenges that will arise this winter and any additional action you may be able to take to support the most vulnerable households?
- Has the Expert Group on the Cost of Living made its recommendations to the Welsh Government yet? If so, when can we expect these to be shared with the Committee (see also the [response](#) to the Draft Budget 2023-24 report).
- Please provide details of the budget monitoring of Discretionary Assistance Fund (DAF) demand. Has there been any revision of the allocations made in the draft budget for 2023-24 in response to the outcome of that monitoring?
- Has the evaluation of the Single Advice Fund been concluded and if so, can it be shared with the Committee?
- In line with recommendation 10 in our report [Unsustainable: debt fuelled by the rising cost of living](#), and recommendation 6 in our Draft Budget 2023-24 report, when do you expect to publish final figures regarding uptake for the Fuel Voucher Scheme against the targets set when the scheme was launched, both in relation to prepayment meters and off-grid households?

Violence against women, domestic abuse and sexual violence (VAWDASV) and migrant women

- The Welsh Government accepted recommendation 3 of our report [Violence Against Women, Domestic Abuse and Sexual Violence: migrant women](#) to support migrant women with No Recourse to Public Funds (NRPF), and we welcome your statement on 4 July 2023 which confirms a pilot of the Migrant Victim of Abuse Support Fund. The Welsh Government also accepted the Committee's recommendation in its Draft Budget report 2023-24 that it should clarify how the crisis fund will be funded. We understand that resources will be diverted from the existing VAWDASV budget. Please confirm how much has been allocated to the fund and the evidence base for arriving at that figure. What assessment, if relevant, has the Welsh Government undertaken to assess the impact of diverting resources from existing VAWDASV services and activity. Alternatively, please can you provide details of where the cuts have been made.

Equality and human rights

- Please set out the impact of the reduction in EU funding on Wales-based organisations, specifically Chwarae Teg and Welsh Council for Voluntary Action (WCVA). What assessment has been made of the impact on delivery of Welsh Government equality plans. What consideration has been given to developing new funding streams to fill the gap in EU funding?

Experiences in the criminal justice system

- As referenced in our report [Women's experiences in the criminal justice system](#), can you confirm whether any costings have been developed of the proposed Residential Women's Centre pilot, including the financial impact on local public services.
- Can you confirm whether a sustainable funding stream for women's centres is now in place.
- Has the tender for the new Women's Pathfinder Whole System Approach Specification, mentioned in response to recommendation 5, now been published?

Budget improvement

- Please provide an update on recommendation 10 in the Draft Budget report 2023-24. Can you set out what action has been taken to develop your work on prevention.
- We ask that you reconsider your position on recommendations 11 and 12 in the Draft Budget 2023-24 report, which were rejected at the time. We are concerned that publishing a summary of all Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG is not an adequate response to our recommendation. We would like to see how you intend to provide greater clarity and transparency in the



way next year's budget is presented. How do you intend to address criticism of the current approach to Strategic Impact Assessments? Will you commit to publishing a distributional analysis with the Draft Budget 2024-25?

We look forward to receiving your response.

Yours sincerely

A handwritten signature in black ink that reads "Jenny Rathbone". The signature is written in a cursive style with a large initial 'J' and 'R'.

Jenny Rathbone MS

Chair, Equality and Social Justice Committee

Agenda Item 6

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