

Children and Young People Committee

CYP(3)-06-09 (p.1) : 31 March 2009

Children's Budgeting

Purpose

This paper has been prepared to provide an update to the Members of the Children and Young People Committee on the work conducted so far on children's budgeting.

This paper is a summary of the work that has been conducted to date and it should be recognised this is work in progress. Further details of the methodology employed will be published in a separate Statistical Article due to be published this financial year.

Introduction

In 2006, the then Cabinet Sub-Committee on Children and Young People commissioned work to identify the proportion of the Assembly Government budget spent on children. That commission was in response to a requirement to understand the resources that are spent on children, in order to inform policy development and to comply with a responsibility under the United Nations Convention on the Rights of the Child to report on the amount and percentage of national budgets spent on children.

This work has now been revised and updated in light of more recent data. It provides revised outturn figures for the proportion of the Assembly Government budget spent on children in 2005-06, figures for 2006-07 and, for the first time, includes estimates for the proportion spent on children in the period 2007-08 to 2010-11.

Overall, 28% of the Assembly Government's expenditure in 2006-07 was allocated to children. This compares with 29% for 2005-06. This equates to £4.4 billion in 2006-07 compared with £4.2 billion in 2005-06, as shown in Table 1. Looking forward, based on existing spending plans the proportion of Assembly budget allocated to children is projected to remain around 28%.

Table 1: Welsh Assembly Government budgets and local authority self financed expenditure identifiable to children

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Outturn/Budget (£bil)</i>						
Children (0-17 years old)	4.2	4.4	4.7	4.9	5.0	5.2
Adults	10.4	11.1	11.9	12.4	12.8	13.2
Total	14.6	15.5	16.6	17.3	17.8	18.4
<i>Percentages</i>						
Children (0-17 years old)	29	28	28	28	28	28
Adults	71	72	72	72	72	72
Total	100	100	100	100	100	100

Assembly Government Budgets Identifiable to Children by Ministerial Portfolio

With respect to spending by Ministerial portfolio, about 70% of all spending on children is accounted for by the Social Justice and Local Government, and the Children Education and Lifelong Learning portfolios. The Social Justice and Local Government portfolio includes the Revenue Support Grant to Local Authorities. This grant is non-hypothecated – that is the Government does not specify how it must be spent. It is assumed the proportion of the Revenue Support Grant that benefits children is the same as the overall proportion of Local Authority spending. This information is indicated in Table 2. This trend appears to be maintained over time. The figures include Welsh Assembly Government hypothecated funding for local authorities in the relevant Ministerial portfolios, for example, school capital funding is within the portfolio for Children, Education, Lifelong Learning and Skills. It is important to note that Local Authority self-financed expenditure on children is not included in any of the figures presented in this paper.

Table 2: Assembly Government budgets identifiable to children, by Ministerial Portfolio

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Expenditure on Children (£bil)</i>						
Health and Social Services	0.5	0.6	0.6	0.6	0.6	0.6
Social Justice and Local Government	2.1	2.3	2.4	2.4	2.5	2.6
Environment, Sustainability and Housing	0.1	0.1	0.1	0.2	0.2	0.2
Economy and Transport	0.2	0.2	0.3	0.3	0.3	0.3
Children, Education, Lifelong Learning and Skills	0.4	0.5	0.5	0.6	0.6	0.6
Other	0.1	0.2	0.2	0.2	0.2	0.2
Total	3.6	3.8	4.1	4.2	4.3	4.5
<i>Outturn/Budget (£bil)</i>						
Health and Social Services	4.9	5.2	5.5	5.7	5.9	6.1
Social Justice and Local Government	3.7	4.0	4.2	4.3	4.4	4.5
Environment, Sustainability and Housing	0.6	0.6	0.6	0.7	0.7	0.7
Economy and Transport	1.3	1.3	1.5	1.5	1.6	1.6
Children, Education, Lifelong Learning and Skills	1.6	1.7	1.9	2.0	2.0	2.1
Other	0.6	0.6	0.7	0.7	0.8	0.8
Total	12.6	13.4	14.4	14.9	15.3	15.7
<i>Proportion of budget/spend on children (per cent)</i>						
Health and Social Services	11	11	11	11	11	11
Social Justice and Local Government	57	56	56	56	57	57
Environment, Sustainability and Housing	26	24	23	24	24	24
Economy and Transport	19	17	18	18	18	19
Children, Education, Lifelong Learning and Skills	28	28	28	28	28	27
Other	25	25	25	25	25	25
Total	29	28	28	28	28	28
<i>Proportion of Welsh population aged 17 and under</i>						
	22	22	21	21	21	21

Analysis of WAG expenditure per child reveals a positive picture. As set out below in Table 3, expenditure per child rose from £5,600 in 2005-06 to £5,900 in 2006-07 and is projected to rise to £7,100 by 2010-11. This is largely due to a real increase in planned portfolio spending. However, there is forecast to be a slight fall in the population aged 0–17, from 646,018 in 2005-06 to 626,587 in 2010-11, which contributes to the overall projected increase. (If the population projections were level the expenditure per child would be forecast to rise from £5,900 in 2006-07 to a projected rise of £6,900 in 2010-11).

Table 3: Welsh Assembly Government Budgets Spend per Child

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Expenditure on Children (£000)</i>						
Health and Social Services	0.8	0.9	0.9	1.0	1.0	1.0
Social Justice and Local Government	3.2	3.5	3.7	3.8	3.9	4.1
Environment, Sustainability and Housing	0.2	0.2	0.2	0.3	0.3	0.3
Economy and Transport	0.4	0.3	0.4	0.4	0.5	0.5
Children, Education, Lifelong Learning and Skills	0.7	0.7	0.8	0.9	0.9	0.9
Other	0.2	0.3	0.3	0.3	0.3	0.3
Total	5.6	5.9	6.4	6.6	6.9	7.1

Comparisons with other UK countries

Comparisons with other UK countries are not available as Wales is still the only part of the UK to produce an estimate of the amount and proportion of the budget spent on children.

Notes on methodology

In broad terms the methodological approach is detailed below.

A proportion of all the Budget Expenditure Lines (BELs) have been allocated in one of three ways:

1. Directly. Those BELs which are directly aimed at children (aged 0-17) are assumed to benefit children 100 per cent. Hence, the whole BEL is allocated to children.
2. Indirectly. Those BELs which are aimed at the population in general, use a population breakdown to ascertain how much of the particular BEL is attributable to children.
3. Using statistical data. Those BELS for which data is available (with an age breakdown).

The decision of who benefits from each BEL was agreed with departmental business areas.

It is assumed that the proportion of the Revenue Support Grant that benefits children is the same as the overall proportion of LA spending on children.

Analysis of 2007-08 figures is based on budgets and will be updated to reflect actual expenditure when this analysis is repeated next year.

Further detailed methodology will be published in a Statistical Article due out in 2009.

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