



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Plant a Phobl Ifanc
The Children and Young People Committee**

**Dydd Mawrth, 30 Tachwedd 2010
Tuesday, 30 November 2010**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Helen Mary Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Jonathan Morgan	Ceidwadwyr Cymreig Welsh Conservatives
Lynne Neagle	Llafur (yn dirprwyo ar ran Sandy Mewies) Labour (substitute for Sandy Mewies)
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Leighton Andrews	Aelod Cynulliad, Llafur (y Gweinidog dros Blant, Addysg a Dysgu Gydol Oes) Assembly Member, Labour (the Minister for Children, Education and Lifelong Learning)
Andrew Chalinder	Pennaeth Achub y Plant (Cymru) Head of Save the Children (Wales)
Jan Leightley	Cyfarwyddwr Strategol, Gweithredu dros Blant Strategic Director, Action for Children
Huw Lewis	Aelod Cynulliad, Llafur (y Dirprwy Weinidog dros Blant) Assembly Member, Labour (the Deputy Minister for Children)
Des Mannion	Pennaeth Cenedlaethol y Gwasanaeth, NSPCC Cymru National Head of Service, NSPCC Wales
Emyr Roberts	Cyfarwyddwr Cyffredinol, Plant, Addysg, Dysgu Gydol Oes a Sgiliau Director General, Children, Education, Lifelong Learning and Skills
Yvonne Rodgers	Cyfarwyddwr, Barnardo's Cymru Director, Barnardo's Cymru
Rob Rogers	Pennaeth yr Is-adran Gwasanaethau Corfforaethol, Sgiliau, Addysg Uwch a Dysgu Gydol Oes Head of Corporate Services Division, Skills, Higher Education and Lifelong Learning
Chris Tweedale	Pennaeth, Grŵp Plant, Pobl Ifanc ac Effeithiolrwydd Ysgolion Director, Children, Young People and School Effectiveness Group
Catriona Williams	Prif Weithredwr, Plant yng Nghymru Chief Executive, Children in Wales

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Sarah Hatherley	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Abigail Phillips	Clerc Clerk

Dechreuodd y cyfarfod am 9.14 a.m.
The meeting began at 9.14 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **Helen Mary Jones:** Bore da a chroeso i'r cyfarfod hwn o Bwyllgor Plant a Phobl Ifanc y Cynulliad. Fe'ch atgoffaf fod croeso ichi gyfrannu yn y Gymraeg neu'r Saesneg. Mae clustffonau ar gael i glywed y cyfieithu ar y pryd ac i addasu lefel y sain—mae'r cyfieithu ar y pryd ar sianel 1, a gallwch glywed y cyfraniadau yn yr iaith wreiddiol yn well ar sianel 0. Atgoffaf bawb, gan gynnwys pobl yn y galeri cyhoeddus, i ddiffodd ffonau symudol, 'mwyar duon', galwyr ac yn y blaen; nid yw'n ddigon da eu rhoi ar 'dawel', gan eu bod yn amharu ar yr offer sain a darlledu. Nid ydym yn disgwyl ymarfer tân, ac, felly, os ydym yn clywed y larwm tân, golyga hynny fod problem go iawn, a bydd y tywyswyr yn dweud wrthym sut i adael yr ystafell a'r adeilad.

Helen Mary Jones: Good morning and welcome to this meeting of the Assembly's Children and Young People Committee. I remind everyone that you are welcome to contribute in Welsh or English. Headphones are available to hear the simultaneous translation and to adjust the volume—the simultaneous translation is on channel 1, and you can hear contributions in the original language better on channel 0. I remind everyone, including people in the public gallery, to switch off mobile phones, BlackBerrys, pagers and so on; it is not sufficient to switch them to 'silent' mode because they interfere with the broadcasting and audio equipment. We are not expecting a fire drill, and so if the fire alarm sounds, that will mean that there is a genuine problem, and the ushers will tell us how to leave the room and the building.

[2] Yr ydym wedi derbyn ymddiheuriadau gan Eleanor Burnham; deallaf fod y tywydd yn y gogledd wedi creu problemau iddi. Mae Lynne Neagle yn swyddogol yn dirprwyo ar ran Sandy Mewies, er ei bod mwy neu lai yma'n barhaol.

We have received apologies from Eleanor Burnham; I understand that weather conditions in the north have caused problems for her. Lynne Neagle is, officially, substituting for Sandy Mewies, but she is more or less a permanent fixture.

9.16 a.m.

Cyllideb Ddrafft Llywodraeth Cymru 2010-11: Casglu Tystiolaeth Welsh Government Draft Budget 2010-11: Evidence Gathering

[3] **Helen Mary Jones:** Croesawaf y Gweinidog, Leighton Andrews, a'r Dirprwy Weinidog, Huw Lewis, sydd yma mor aml iddo bron â bod yn aelod o'r pwyllgor bellach—mae yma bron bob pythefnos. Yma i gefnogi'r Gweinidog a'r Dirprwy Weinidog y mae Chris Tweedale, Rob Rogers ac Emyr Roberts. Croeso cynnes ichi. Yr ydym wedi derbyn tystiolaeth gennych; felly, os yw'n iawn, symudwn yn syth at y cwestiynau.

Helen Mary Jones: I welcome the Minister, Leighton Andrews, and the Deputy Minister, Huw Lewis, who is here so often as to almost be a committee member—he is here almost every fortnight. Here to support the Minister and the Deputy Minister are Chris Tweedale, Rob Rogers and Emyr Roberts—a warm welcome to you. We have received evidence from you; therefore, if it is okay with you, we will move straight to questions.

[4] I will ask the first question, and I will leave it up to you both to decide how to divide up the answers. If you want to refer specifics to your officials, you are welcome to do so. I will start with a broad question. What assessment has been made of the impact of the draft budget on children and young people and whether they will be disproportionately affected by some changes?

[5] **The Minister for Children, Education and Lifelong Learning (Leighton Andrews):** In the budget that we have put forward there is a significant emphasis on protecting services for children and young people. For example, a key decision that you will see in the approach that we have taken is that we are keeping education maintenance allowances in Wales, unlike in England. From the start of the process of looking at the budget, there has been a definite emphasis by the Cabinet on protecting schools and skills. In our own budgets, we have ensured that we have been able to give as much protection as we can to early years. For example, there is a significant investment in the foundation phase to ensure that it is rolled out properly, and continued investment in areas such as Cymorth and Flying Start. We have sought to demonstrate our commitment to tackling child poverty, which is one of the Assembly's core demands.

[6] **Lynne Neagle:** To what extent did the work undertaken by the Assembly Government on children's budgeting influence your approach in setting the draft budget?

[7] **Leighton Andrews:** In general terms, that is a question for the Minister for Business and Budget, because I can only answer for my department. We are excited by the opportunities that the approach to children's budgeting gives us. It gives the Government an opportunity to look seriously not only across the services that we provide but at those that other partners provide, and to put some meat on the bones of previous approaches, such as children and young people's plans, and really go to the heart of the way in which services are being outlined and developed across Wales. We are still at quite an exploratory stage of the work in relation to children's budgeting. If the committee has any views as a result of the scrutiny today as to how things could be improved for the final budget, we would be pleased to hear them. Clearly, most of our budget is concerned with children and young people, and therefore we have done our best to protect those services. From our perspective, everything that we have been doing has been about the provision of budgets to support children.

[8] **Lynne Neagle:** With that in mind, do you know whether the Minister for finance has any plans to publish a children and young people's budget statement following the draft budget?

9.20 a.m.

[9] **Leighton Andrews:** I am not aware that there is a plan to do that at this stage, but you would need to follow that up in more detail with the Minister for Business and Budget. As a Government, we have obviously now responded to the work of this committee on children's budgeting. We broadly accepted 10 of your 11 recommendations. So, as we move forward, the work that this committee has done on driving forward the children's budgeting agenda will provide a good focus for the work of the Assembly Government on its budget plans for the future.

[10] **Helen Mary Jones:** Before I bring in Joyce Watson, I have a supplementary question for you, Ministers. This committee has certainly welcomed some of the protection for, say, elements of social services and schools. However, the phrase 'soft ring-fencing' has been used. I am always a bit worried that soft ring-fencing is a bit like a soft-boiled egg—it holds together until you take the shell off. What are the consequences? This was explored in the Health, Wellbeing and Local Government Committee with the Minister for Social Justice and Local Government. What is your understanding of what the soft ring-fencing of some of these very important budgets for children and young people means, when there is money, particularly in the revenue support grant, for local authorities? Can you tell us a bit about how the Government will monitor whether that soft ring-fencing is effective?

[11] **Leighton Andrews:** Chair, I must say that my soft-boiled eggs hang together even

after the shell has been taken off. *[Laughter.]* On the serious point that you raise, we have been very conscious of this all the way through. This has been discussed by the Minister for Social Justice and Local Government and I, and by the Cabinet as a whole, when looking at the priorities that we were setting for the budget. If I recall the figures accurately, there is about £61 million allocated within the RSG for the schools provision—there is the uplift of 1 per cent. It is very important to us to see that that is being spent by local authorities. So, we will be looking very carefully at the individual school budgets that follow, and we will be collecting information from local authorities on how they are using the money. I have had occasion this year to write to one local authority to ask for an explanation of its budget. As I said in the Enterprise and Learning Committee last week, I will be ready to intervene should we believe that the effective use of that money is not being demonstrated by local authorities in their returns to us.

[12] As you know, in general terms, since coming into this role just under a year ago, I have been very concerned to look at a whole series of issues around funding, including the delegation rates of money from local authorities to schools. As a result of the work that we did in our front-line resources review and the challenge that we issued to partners over the summer, I am pleased that the Welsh Local Government Association has come back to us with a commitment to try to raise delegation rates to 80 per cent within two years and 85 per cent within four years. That is a very significant step, and it shows that we are making some progress in this area.

[13] **Helen Mary Jones:** That is helpful.

[14] **Joyce Watson:** Good morning, all. The Welsh Government has said that it will reprioritise funding in relation to children and young people and sustain funding in some individual spending areas, such as schools, with a corresponding reduction in the share spent on higher and further education. What have you identified as the key priorities for children and young people in determining the draft budget? How closely do they align with the Government's overall strategic objectives?

[15] **Leighton Andrews:** Our focus is on front-line services to children and young people, and particularly to the most vulnerable children and families, unemployed young people and those with special educational needs. So, we have been prioritising those services that have a direct impact on early years, schools and skills development. For example, we put an additional £2.5 million into Flying Start, there is an additional £21.6 million over three years for the foundation phase, and additional money has been allocated to the free school breakfast programme. All those are 'One Wales' commitments. We have also put additional funding into Cymorth, protected the 14-19 learning pathways budget, and protected the Better Schools fund and the Welsh baccalaureate. We have looked very carefully at the programmes that we have in our department and at our 'One Wales' commitments, and, in what you will appreciate has been a very tough year, with a reduction in the department's budget of £21 million, we have been able to protect and safeguard those budgets that most affect most disadvantaged young people. Overall, I think that we have done a pretty good job of protecting services for children and young people.

[16] **Joyce Watson:** Thank you for that answer. That is laudable in the current climate. However, safeguarding money and measuring outcomes are two very different things. How do you intend to identify and measure the effectiveness and outcomes of the priorities that you have identified?

[17] **Leighton Andrews:** There are a number of ways in which we need to do that. Clearly, we need to see that the money is being spent appropriately by the partners through whom we deliver, and that means that we have to work with the Minister for Social Justice and Local Government, as I said, in looking at the use of the money by local government.

Ultimately, this is about performance, standards and attainment, certainly in the schools system, and we will be measuring the use of that money by the results that we see.

[18] **Jonathan Morgan:** One of the huge challenges in this process is the extent to which the Welsh Government is trying to improve the life chances of certain groups of vulnerable children and young people. I am thinking in particular of looked-after children; we know that we desperately need to try to improve their educational attainment levels. In light of the fact that the Government is committed to trying to achieve that, how will you measure the performance of local authorities and others in securing improvement for that group of children and young people? I accept that you will do whatever you can to ensure that all children and young people benefit, but, for that specific group, there is a particular challenge.

[19] **Leighton Andrews:** Let me give a general answer, and then I will bring Huw in on some of the detail of new developments on this. Clearly, local authorities have responsibilities about young people leaving care, and we have expectations that assessments will be done as to career goals and so on, through the Careers Wales network. That will continue, and we will continue to support it, and we will continue to have expectations that local government will respond appropriately. We will be looking at the way in which it does that. Huw might just want to say a word on the new developments.

[20] **Huw Lewis:** Thank you, Minister. Of course, we work very closely with Gwenda Thomas, particularly, on this agenda. It is also clear that, within the child poverty agenda more widely, looked-after children are a key group, because, unfortunately, many of the indicators that concern us regarding children in poverty are multiplied for looked-after kids. All the measures and targets within the child poverty programme—the new strategy that is coming out in the new year—apply equally to those children. I should also let you know as a committee that we have tried to further invest in the life chances of looked-after children through recycling the top-up money from the child trust fund, which, unfortunately, because of the actions of the Westminster Government, we will have to move away from after this autumn. This autumn's top-up will happen, but then it will come to an end. Some of that money, at least, I am planning to invest in a transitional grant for looked-after children as they reach adulthood, between the age of 16 and 18, so that each child being looked after would be eligible in Wales for a grant of £500 to help them set up as adults, either through assisting with training or accommodation or some kind of assistance with employability. So, there is quite a wide range of support to the value of £500, which would be unique to Wales, as a result of being able to hold on to some of the money that would have been allocated to the child trust fund before the UK Government disposed of it.

[21] **Helen Mary Jones:** Lynne Neagle has the next questions, coming back to the issues of money and the revenue support grant.

[22] **Lynne Neagle:** In your paper you state that the Assembly Government has protected elements of funding for education and social services. Could you tell us what that means in cash terms?

[23] **Leighton Andrews:** We made a commitment to provide support for schools at 1 per cent above the moneys that we receive from the block grant. That has been done, and there is about £61 million in the revenue support grant for schools.

9.30 a.m.

[24] **Helen Mary Jones:** I now call Jonathan Morgan to ask his next question. I think that we have touched on this, but it might be worth exploring it a bit further.

[25] **Jonathan Morgan:** How can you ensure that the most vulnerable children will

receive the services that they need when these funding streams are unhypothecated?

[26] **Leighton Andrews:** As I said in an earlier answer, we will be monitoring this through councils' individual school budgets—schools have been given the additional 1 per cent for the individual school budgets. So, we will be monitoring through the annual budgeted expenditure returns that local authorities are required to complete. There is, in any case, an expectation with regard to the schools data that we are providing to the families of schools through our school effectiveness framework, where schools must account for how they are delivering services to the most vulnerable, including, for example, looked-after children. So, in a sense, we have both the financial returns, in respect of local authorities, and slightly more qualitative data with regard to performance, which we will be getting from schools and which we will be updating each year.

[27] **Jonathan Morgan:** Is there not a risk in that some local authorities have a historically poor level of funding per pupil? There are some authorities that have languished at the bottom of the local authority league table, if I can put it that way, which will simply see their future as not actually improving the position of those schools and those pupils. What we could see in certain parts of the country is local authorities thinking that they cannot afford to employ x number of teaching assistants any more, therefore we will dispose of them. There is a very real risk that some of the more flexible arrangements that have been built in in recent years could be lost in some local authorities that simply have not viewed education as a priority.

[28] **Leighton Andrews:** That raises quite a lot of different questions. With regard to additional teaching assistants, we are putting in £21 million over three years, on top of what is going through the RSG, into the foundation phase programme. That has been a very successful programme, and we would expect it to be supported. We must also be clear that what we are looking at here is attainment levels. There is considerable evidence to suggest that attainment is not dependent on funding; funding is an aspect. We are concerned to ensure that local authorities are focused on high performance, are following through on the commitments that they should have to ensure that there are high ambitions for all, and that they are delivering locally. We will be monitoring that through the data that we have available.

[29] In respect of the funding, we will be keeping a very close eye on that, as I said earlier, and I will not hesitate to intervene should that prove necessary. I am encouraged by the commitments that we have had in respect of delegation rates, as I said earlier, and, as you are probably aware, I have a review currently underway into the structure of delivery of education in Wales, which is considering where services should best be provided, whether that be at an individual local authority level, across a consortium of local authorities, devolved to local schools, or held nationally. So, there is plenty of scope for us to keep a very tight rein on the way in which money is being used. If we have to be more interventionist, then we will be more interventionist.

[30] **Joyce Watson:** To what extent has the Children's Commissioner for Wales been involved in discussions with you regarding the decision to cut his office's budget by 6.6 per cent in real terms in the coming year?

[31] **Leighton Andrews:** We have had discussions on a number of occasions with the children's commissioner regarding the tight financial situation. He has attended the Cabinet committee on children and young people, where we had that discussion, and he has also had meetings with the Deputy Minister. So, we have explored those issues, and he understands the difficult financial settlement facing the Assembly Government.

[32] **Helen Mary Jones:** Before I bring Jonathan Morgan in on the next question, I have a

supplementary question arising from the reference to the Cabinet committee on children and young people, which the UN convention has identified as being an important innovation here in Wales, given that it has more senior people on it, and subsequently more authority, than is the case in other places. This may be more of a question for Huw Lewis than for you, Minister, but to what extent has the Cabinet committee been able to look at budgets other than the obvious ones such as the schools budget and the children's social services budget, which are clear? I do not expect a comprehensive answer to my next question, as it relates to the children's budgeting discussions, and we are still at an early stage in those discussions, but have you been able to look, for example, at the way in which elements of the heritage budget, such as sport, can be protected for children and young people as well as those budgets that come under your portfolio and those that come under the social services heading?

[33] **Leighton Andrews:** I chair the Cabinet committee, which looks at cross-departmental issues. We have not specifically looked at the budgets of individual departments, but, for example, we had a major paper recently on the interface between health and the education system, including schools, which looked at a series of areas. We have had a discussion about the link between the Families First programme that the Deputy Minister has instituted and the integrated family support teams in social services. We have looked at aspects of heritage in respect of children, and I think that another paper on that is due to come to us shortly. So, we look at other departments, but the process of setting the Assembly's budget would not really enable us currently to have a view across other departments' budgets. Ministers do not know what their colleagues will receive in the budget allocations until very late in the process.

[34] **Helen Mary Jones:** That could be something on which this committee has a view.

[35] **Joyce Watson:** I would like to explore that a little further. What we are doing in education to protect the most vulnerable is highly commendable; there is no question about that, given the settlement. However, the most vulnerable children in society are very often those who are not in education, employment or training, or any of those areas that are protected within the budget. To explore Helen Mary's question a little deeper, how can we be sure that it is the most vulnerable who will be protected by this budget?

[36] **Leighton Andrews:** First, we have had a very detailed look this year at how we are addressing the issue of young people who are not in education, employment or training. There has been a review to look at that across the department. This is based on the recognition that it is not possible to start to tackle this issue at the age of 16; we have to look at what is happening further down the school. That is why I have introduced a national literacy programme for children aged between seven and 11, for example.

[37] We are conscious that there is a particular challenge facing Wales—not just Wales, but other countries in the UK too—about the numbers of young people who are not in education, employment or training. We have been looking at the impact of developments elsewhere in the UK, including through the Department for Work and Pensions. In my answer to your question, Chair, I should have said that one of the things that we have done on the Cabinet committee on children and young people is to look at the impact of UK Government policies on children's issues. That is a very important development and we have that as a standing item on the Cabinet committee agenda. We have been looking at the implications of the DWP proposals. In our budgets, we have tried to maintain the services that we think have an impact on young people who are not in education, employment or training. That is why, for example, we are keeping education maintenance allowances in Wales, unlike England.

[38] **Jonathan Morgan:** The Cymorth scheme will reduce in 2011-12, and a proportion of that funding will be transferred into the revenue support grant. Could you explain the rationale behind that? Could there be a risk that local authorities will not use that money for

the purposes for which the Welsh Assembly Government intends it to be used?

9.40 a.m.

[39] **Leighton Andrews:** The money that is transferring to the RSG is a relatively small sum; if I remember rightly, it is around £5.5 million. That is really for the administration of the Cymorth schemes by local government. Originally, there were plans to transfer the whole of the Cymorth budget to local government. When the two of us became Ministers, we formed the view very quickly that that was not something that we wanted to see happen. We believed that it was important, and the evidence that we were receiving from organisations connected with Cymorth projects suggested that it was very important, that we retain the fund centrally to help us to address issues of child poverty. I will bring in the Deputy Minister in a second to comment on how we are planning to take that forward. It was an uncomfortable decision to make, and we had to have a discussion in Cabinet committee and in Cabinet about it. It was not necessarily welcomed by the Welsh Local Government Association that we decided not to put the whole of the Cymorth funding into the RSG, but it was a decision that we took in the interests of children and young people.

[40] **Jonathan Morgan:** I have a point of clarification before the Deputy Minister comes in. Does the £5 million cover the entire costs of administering the scheme?

[41] **Leighton Andrews:** It is roughly £250,000 per local authority, so it is, more or less, right. However, we can give you a note on the full detail.

[42] **Huw Lewis:** It is important to stress that Cymorth funding is safe for the next financial year, at least—it is a flatlined and protected budget, and there is no need for any kind of panic within local government on the security of the flow of that money. It has been made very clear to local authorities that that is the case. However, it has also been made clear that we will gradually evolve Cymorth into a more coherent national fund under the Families First initiative, which will be much more closely focused on our child poverty strategy. In other words, local authorities need to get ready to morph Cymorth spend into Families First and to fit with the core aims of our child poverty strategy. Six local authorities are currently pioneering this work—a consortium in the north and a consortium in the south. They will be joined by further pioneers in the new year. By 2013, we aim to have all-Wales coverage by the 22 local authorities, and the Families First child poverty programme rolled out across the country. As I said, it is a flatlined protected budget, but strategically, Cymorth will change into something much more focused on issues surrounding child poverty.

[43] **Helen Mary Jones:** Jonathan Morgan has a question on advocacy budgets.

[44] **Jonathan Morgan:** The advocacy budget will receive a year on year reduction in real terms. What assessment have your departments made as to the implications of this for advocacy entitlements for all Welsh children and young people?

[45] **Huw Lewis:** It is best if I take this one, Chair. We recognise the importance of advocacy, which is evidenced by the launch in May of the Meic advocacy helpline, which is a unique service to Welsh children and young people. Independent advocacy is paramount in our policy priorities; it is a foundation stone when it comes to our commitment to the United Nations Convention on the Rights of the Child. The budget is essentially flatlined, but it is protected in that sense. In the current climate, that is something of an achievement, in comparison with what might be going on elsewhere in the UK.

[46] **Helen Mary Jones:** I would accept that, Deputy Minister, but you will be aware that this committee has taken the view for some time that there may be merit in commissioning directly from the providers of the national advocacy unit, rather than the process of going

through local authority partnerships and the money coming back out again. Would you consider, in these difficult financial times, looking at the costs associated with going through the children and young people's partnerships and the consortia that will, hopefully, develop? We now have the national advocacy unit setting the standards and deciding what the training needs should be, and then the budget goes out through the children and young people's partnerships. You will be aware that we have had a concern about issues relating to independence, because of the predominance of local authorities in the children and young people's partnerships. Might you wish to take a look at that administrative cost further down the line? Defending the advocacy budget has been something of a coup, because it is the sort of thing that some people would compare with the foundation phase. As you rightly say, Deputy Minister, it is an important part of the Government's commitment around the convention. Will you consider taking a look at those administrative costs? If there are such costs, and money could go to the front line, this committee might want to suggest that as a possibility.

[47] **Leighton Andrews:** We would be happy to look at that. As Chair of the committee, you could raise that with my task and finish group on the structural delivery of education in Wales. If you have views about services that should be managed differently, at a national level, to release administrative costs, that might well be the place to explore that.

[48] **Helen Mary Jones:** That is helpful; thank you. Lynne has the next question.

[49] **Lynne Neagle:** Can the Minister confirm whether there have been any changes to the way in which funding is allocated to schools in the draft budget, and, in particular, whether any incentives have been included to strengthen the proportion of funding that is available to schools in Wales's most disadvantaged areas?

[50] **Leighton Andrews:** There have not been any changes to the schools element of the revenue supplement formula. However, a distribution sub-group is looking at whether the deprivation indicator that is currently used, which is based on free school meals, is the best model, or whether there may be other models, such as a benefits-related indicator. As you know, school funding is set on the principle, broadly speaking, of numbers on the roll, but there are additional elements for deprivation and sparsity within the formulae. We would always welcome any observations from the committee on that. I have looked at the work that has been done by several previous Assembly committees, including—I cannot remember its exact title—the ad-hoc committee on which you served, Lynne, towards the end of the last Assembly. At the end of the day, this is a difficult area, because all formulae produce winners and losers. As we know, there are concentrations of deprivation in certain areas, but, equally, there are pupils from deprived backgrounds in other areas too.

[51] **Helen Mary Jones:** I have a question on additional support for learners. You have prioritised some groups of children and young people over others. Did you consult with service users, or their representatives, in making those budgetary decisions?

[52] **Leighton Andrews:** I am not sure what you mean by 'prioritised some groups of children and young people over others'.

[53] **Helen Mary Jones:** I refer you, for example, to the grants for education for Travellers' children and ethnic minorities. They will receive a reduction in funding of 1.9 per cent. Some of us would argue that those learners constitute particularly vulnerable groups. Therefore, in making those decisions, were those consultations made? While you consider that, you may also wish to refer to how the draft budget reflects the Government's commitments to meeting the needs of disabled children and young people, and young people with learning disabilities, in particular.

[54] **Leighton Andrews:** I am sorry, Chair, but you are wrong. The grants for minority ethnic achievement and the education of Travellers' children are increasing in 2012-13 and 2013-14. They are flatlined in year 1, and then they increase in years 2 and 3.

[55] **Helen Mary Jones:** It is nice to be found wrong—I have the first year's figure in front of me, but not the subsequent two. That will be a source of relief for us all, although the flatline means a cut in real terms. However, with the budgetary problems that you face, I do not believe that anyone can query that. How about the needs of disabled children and young people?

[56] **Huw Lewis:** Perhaps I could add a few points here. The budget includes an increase of £6.5 million for post-16 special educational needs. Therefore, as regards our commitment to learners with disabilities, there is a real terms increase and further investment, so we are maintaining that agenda. We also have the report of the task and finish group and its recommendations to take forward. It is also perhaps worth mentioning again, that, as a result of the demise of the child trust fund, we have been able to recycle part of that spend—almost £2 million, I think—into the Families First strand for disabled children. We are going to ask our pioneer local authorities to take a look at how that can best be used and to work with us on that. As I said, that will amount to around £2 million extra for disabled children to improve their life chances. That is a further commitment, which is again unique to Wales.

9.50 a.m.

[57] **Joyce Watson:** Children living in the most deprived areas, and particularly pre-school children in poor areas, have tended to be targeted by many Government initiatives. To what extent are budget allocations within this draft budget skewed towards poorer children, and/or those with the greatest needs?

[58] **Leighton Andrews:** There are some budgets that we have sought to protect on a universal basis, for example free breakfasts and free milk for under sevens, but we have tried to provide additional support in particular areas. We have just discussed the ethnic minority achievement grant and support for Travellers' children. The issue for us is how we can better bring together budgets, both in our own department and in others, which are targeted at the most deprived groups. So, we have been looking, through the Cabinet committee, at the relationships between Families First and Communities First and the integrated family support teams of the Deputy Minister for Social Services. It is important that we see projects being developed by Communities First partnerships, for example, in this field. We have seen one or two recently funded through the outcomes fund, which are very focused on the learning needs of children and young people. That is an important development. There needs to be more cross-departmental working; it is very important that we see the money that is going, for example, into Communities First areas being set against money that we are using in our own budgets to deliver better outcomes.

[59] **Joyce Watson:** In your opinion, Minister, to what extent does the draft budget attempt to address the difficult balance between the initiatives targeted at those on low incomes and universal benefits, which tend to be more popular and have a higher take-up rate?

[60] **Leighton Andrews:** We have a number of commitments under the 'One Wales' agreement. Our first priority was to ensure that the 'One Wales' commitments were adequately funded. So, that included free school breakfasts, the foundation phase and our commitments on child poverty. Among those, there is a balance of services that are universal in provision and some that are more targeted, such as Flying Start, which we have continued to support. So, there is always a balance to be struck in protecting universal services as well as particularly valued targeted services, and I think that we have done a reasonable job in the

circumstances, given the budget restrictions that we face.

[61] **Jonathan Morgan:** The 'One Wales' agreement signs you up to eradicating child poverty by 2020. Does that still remain a target?

[62] **Huw Lewis:** Yes, it does, absolutely. We remain committed to that, despite any difficulties that might be thrown our way. It remains the case that we feel strongly that while a third of Wales's children are being held back because of the circumstances of their birth, the whole of Wales is being held back because of that very important issue. So, yes, we continue to address it as a central priority.

[63] **Jonathan Morgan:** Looking at the decisions that you have had to take on the budget, what work have the departments done to ensure that resources and priorities are geared towards meeting that target? If it is a fixed target and is not just an aspiration, how those departments work together will be critical, so what work has been done on that?

[64] **Huw Lewis:** In some cases, this is the second time around for me to hold bilateral discussions with all colleagues across Government on how the contribution of the whole of the Welsh Assembly Government is fitting together to address the issue of child poverty. The charge will be led by that new strategy, which will be published in the new year, and the backbone of delivering that will be the new Families First programme, complemented by such things as Flying Start. Both of those have above-inflation, real-terms increases to look forward to as we roll them out across Wales. There is now a legal framework in place through the Children and Families (Wales) Measure 2010, which binds all the Welsh Ministers as well as large chunks of the Welsh public sector outside WAG into the commitment to eradicate child poverty by 2020. Other organisations such as the NHS, local authorities, the arts council, the sports council, and so on will, next year, have to draw up child poverty strategies of their own to evidence what they are doing as part of the all-Wales commitment to eradicate child poverty by 2020.

[65] **Helen Mary Jones:** To follow up on that briefly, I am pretty glad to hear the reaffirmation of that commitment, because we can none of us be happy while there are those kinds of child poverty figures. However, other departments will potentially have a big impact. For example, a key factor will be getting people into work, and so economic development will have an impact, as will transport by ensuring that people who live in one place have access to work in other places. In the development of the strategy, will there be key expectations of other key departments as well as your own and the social services department? Will they be expected to make it a clear priority, and will there be any comeback if they do not? Will our successors in the Assembly be able to scrutinise clearly what other departments as well as your own are doing? It seems that they, as well as the education and children's budget, have a huge responsibility.

[66] **Huw Lewis:** Yes, of course. The whole of the Government has a responsibility: the Assembly Government and local government. You mentioned the back-to-work agenda, but we do not have total control over, or even a total understanding of, that. We do now know what the UK Government wants to do in respect of its back-to-work agenda over the next few months. However, we have a tremendous amount to contribute. For instance, just this week, we had really good discussions with Carl Sargeant, the Minister for Social Justice and Local Government, concerning how Communities First could in future contribute in a more focused way towards the back-to-work agenda, the ability of families with young children to boost their earning power and increase their income to minimise debt and so on, and how we could work better, often by looking at the best examples from the existing Communities First partnerships and focusing that work in a strategic way on those families across Wales. There is also much to say about transport, which will be done, and there will be a programme board, which will bring all the cross-departmental work together, based on the strategy that we will

publish on 3 February.

[67] **Helen Mary Jones:** I want to move on to youth justice now. Lynne Neagle has the next question.

[68] **Lynne Neagle:** What assessment have you made of the impact of cuts to youth justice services on Welsh young offenders, including the abolition of the youth justice board? Do you think that that group of young people will be disproportionately affected by the budgetary decisions taken at Westminster and here in Wales?

[69] **Huw Lewis:** We will seek to protect this agenda, and we are committed to our part in making sure that the great success story of the development of youth justice in Wales is continued. We were disappointed that the UK Government decided to abolish the Youth Justice Board for England and Wales without any consultation whatsoever. We believe that that was hasty and potentially destabilising. However, we are now in closer communication about what will develop from here on in. We have invested heavily in the life chances of those children and young people in Wales, particularly by trying to prevent them from entering the youth justice system in the first place.

10.00 a.m.

[70] Always at the forefront is our commitment to treating these children and young people as children first and offenders second. That philosophy runs right through the support system and interventions that we offer across Wales. Of course, we are in a situation of flux at the moment. The Green Paper will tell us more about what the Westminster Government intends in this regard. However, we are not stepping away from this issue in Wales. If anything, our minds are ever more concentrated on ensuring that the priorities that we have set will be maintained, in a Welsh context.

[71] **Helen Mary Jones:** We will now move to health and social services, and I will bring in Jonathan Morgan.

[72] **Jonathan Morgan:** Children's social services will experience a real-terms budget reduction of around 1 per cent in 2011-12 and 5.7 per cent over three years. What discussions have you had with the Minister for Health and Social Services about how that level of resource will affect the needs of children and young people, and particularly those who require mental health services?

[73] **Leighton Andrews:** I understand that the budget for children's mental health services is being held in 2011-12 at £2.2 million, so there is a commitment to providing some protection for that. As you are probably aware, in May, the Assembly Government published a report on better support for children and young people who have emotional wellbeing and mental health needs. My officials are represented on the working group that is taking forward those recommendations, so there are regular discussions between departments about that.

[74] **Helen Mary Jones:** Do you have a supplementary question on this, Jon?

[75] **Jonathan Morgan:** I have more of a general question, which I am not sure the Ministers will be happy to answer because, in a sense, it falls largely in the portfolio of another Minister. There have been some discussions—and I would not say formal discussions, but certainly suggestions—that, longer term, we could see a situation in which adult social services are removed from local government and could fit very nicely into what the seven health boards do. I have some sympathy with that possible direction of travel. As Ministers responsible for children, do you think that such a change would allow local authorities to concentrate their efforts better on delivering services to children? At the minute,

the problems in relation to adult services sometimes take priority.

[76] **Helen Mary Jones:** The Minister has that look on his face. [*Laughter.*]

[77] **Jonathan Morgan:** He does.

[78] **Leighton Andrews:** I think that the Deputy Minister for Social Services is making a statement on the independent commission in Plenary this afternoon, and it would be unwise for me to pre-empt that.

[79] **Helen Mary Jones:** We understand your position. Jonathan made that clear in asking his question. We now come to the final question. Our thanks to both of you for your evidence and for the able support from your offices. We have had considerable new legislation relating to children and young people in the past couple of years in Wales, which this committee has welcomed very much. You have already mentioned the Children and Families (Wales) Measure 2010, and we have the Proposed Rights of Children and Young Persons (Wales) Measure going through now, which this committee has also taken a big interest in—and we are pleased with the overall direction of travel. In preparing this budget, what consideration have you given to the financial implications of this new legislation and whether there will be sufficient money in the budget, either to redirect existing budgets or, in some cases, to put amounts of new money in to ensure that the aspiration of this legislation, which we are all very keen to see driven forward, will become a practical reality in what we all know are very difficult times?

[80] **Huw Lewis:** Thank you for that apposite question, Chair. The answer centres on a mixture of two things. The first is redistribution. The Children and Families (Wales) Measure 2010 is essentially a legislative instrument to concentrate resources on the least well off children and young people right across the devolved Welsh public sector. Everyone engaged there, including the Assembly Government, should be involved in the redistribution of resources towards those children and their families. There are also renewed commitments in central budget lines for things such as Flying Start and what will become Families First, to stay ahead of inflation and keep investment moving in those families.

[81] The Proposed Rights of Children and Young Persons (Wales) Measure is a different animal, really. Initially, at least, the costs mainly relate to staff time and central administration. Indeed, most of the provision has been made against the central administration main expenditure group rather than against the Department for Children, Education, Lifelong Learning and Skills programme budget. As it rolls out over time, we will have to consider how the Proposed Rights of Children and Young Persons (Wales) Measure impacts on budgets in years to come. We will have to take a look at it in line with the budgetary constraints that face us at that time.

[82] **Helen Mary Jones:** Thank you both, Deputy Minister and Minister. Is there anything that you wish to add before you leave? I know that the Minister has a very busy day today.

[83] **Leighton Andrews:** Allegedly.

[84] **Helen Mary Jones:** Yes, allegedly. [*Laughter.*] We appreciate your time and the input of your officials.

[85] Diolch yn fawr i'r ddau ohonoch. Thank you both very much. I suggest that we Awgrymaf ein bod yn cymryd egwyl yn awr. take a short break now.

[86] We will bring our next set of witnesses to the table during the break. For the record, it is freezing cold in here, and Members may need cups of tea to prevent them from turning into

blocks of ice in the next hour. So, I will invite our next set of guests to take their places at the table, and we will take a very short break to go and thaw out.

*Gohiriwyd y cyfarfod rhwng 10.06 a.m. a 10.12 a.m.
The meeting adjourned between 10.06 a.m. and 10.12 a.m.*

[87] **Helen Mary Jones:** Some defrosting has gone on, so we can now resume the public session. I think that we have lost one or two of our potential witnesses on account of the extreme cold. We have lost Andrew Chalinder, from Save the Children in Wales, but we are very glad to welcome Des Mannion, the head of services at NSPCC Wales, Catriona Williams, chief executive of Children in Wales, Jan Leightley, the strategic director of Action for Children, and Yvonne Rodgers, from Barnardo's.

[88] Croeso cynnes i chi i gyd. A warm welcome to you all.

[89] Thank you for the written evidence that you have given us with regard to the budget. This session is a bit of an experiment. We intend it to be more of a round-table discussion than a formal session. I will obviously need to chair it with a view to keeping people reasonably to time and stopping anyone from hogging the floor, be they witnesses or Members. We want to get a feel for your reaction to the Government's budget and how it will impact on children and young people overall. We all acknowledge that this is a very difficult time to be setting budgets; it is the first time since the Assembly has been in existence—since devolution—that Ministers are looking at setting budgets in which they have less money to spend rather than more. Of course, that potentially makes the issues of prioritisation even more important.

[90] I will start by throwing out a general question and inviting you all to put on record your initial reactions to how the Government has prioritised children and young people in this budget round from the different perspectives of your organisations. It might also be worth mentioning, for the record, that the organisations were able to be here in the Senedd last week, launching a joint manifesto for children and young people for the next Assembly elections. We are rather hoping that there will be a certain amount of common ground in what you tell us. Perhaps I should have said earlier, but you know the process—this committee is able to make representations to the Government on its draft budget based on the evidence that you give. That will be the process that will put together what the Ministers have told us, our own observations and thoughts, and evidence from you to help us, hopefully, to give a clear and coherent response to the draft budget. Does anyone want to kick off? You can give them marks out of 10 if you like.

[91] **Ms Williams:** We basically feel relief, in that, in the overall situation with the budget, children have been protected, although, as you rightly said, Chair, there is effectively a cut across all services. A standstill budget is a cut. There may be an impact on how the budget marries up with increased need in children's services, new growth areas and all the new policies that we have worked hard on over the past two or three years. In our submission, we said that we will try to give the committee more information about the details of that when we see departmental budgets in more detail—it is not just about the Minister for education's budget. The committee is of great value, because I hope that you will be able to ask all the Ministers for their assessment of what they are spending on children.

[92] To give our reaction quickly, we are relieved and feel that we have done as well as might be expected. Having said that, on the priority areas and how much money goes towards them, we are concerned about the outcomes for children where demand for certain services has seen a huge increase: the looked-after children population and the child protection figures have gone up; we know from the Children and Family Court Advisory and Support Service that the parts of family law and other legislation that have an impact have gone up; and we

know that the Youth Justice Board for England and Wales will lose its preventive budget on parenting. I will leave it there for the moment, but we would like to look more closely at the matching of the budget to need.

[93] **Helen Mary Jones:** Does anyone else want to add to that?

[94] **Ms Rodgers:** As Catriona said, we all welcome the significant measures that the Welsh Assembly Government has taken to ensure that the front-line services for vulnerable groups, in the context of a substantially reduced settlement, were preserved. There was particular concern across the voluntary sector in the period running up to the draft budget. People were talking about maintaining services in health and in education, but little was being said about social care. As a result, a great deal of insecurity was expressed to local authorities and ourselves, and although the Deputy Minister was clear this morning that there is a transitional phase of Cymorth to go through before we get into Families First, what has happened on the ground is that some local authorities have sent us closure notices. They have said that they are decommissioning Cymorth because something else is coming in. No matter what the Deputy Minister says about this being a transitional phase, so that local authorities should continue as before, that is not what is happening in some authorities. In response to that, voluntary organisations have to make decisions about their staff. Barnardo's, which is just one organisation, employs 700 staff throughout Wales and has 700-plus volunteers. So, what happens to our services between now and March is quite significant, and we are all, directors and service heads, in constant negotiations and meetings with heads of service during this period. We asked the Deputy Minister to send out a letter of clarification, and I believe that he did so, but I have not had a further letter of clarification from those local authorities to say, 'Having received the Deputy Minister's letter, I can now assure you that this will be part of the transitional phase'. That is worth noting.

[95] **Helen Mary Jones:** I will bring you back in a minute, Catriona. Des or Jan, did you want to add to that?

[96] **Mr Mannion:** I want to echo what has been said, as we broadly applaud the intention, but share a significant degree of concern about the implementation and roll-out of the changes to Cymorth. What is actually happening is along the lines that Yvonne suggested.

10.20 a.m.

[97] **Ms Leightley:** To add a little on that, what we have experienced with Cymorth, which rolls over into the budget, and the soft ring-fencing, as opposed to the real ring-fencing, is that local authorities are taking a varied approach, which goes beyond a local approach, if you like; it is how they have interpreted it. Therefore, on Cymorth funding, we have heard everything from, 'Your project will close,' to, 'We will wait and see, because we have not had anything definite'. Therefore, it is that unpredictability of how local authorities will respond that probably troubles us, certainly those of us who provide many services directly. Like Yvonne, we have 900 staff, and we have services across Wales.

[98] There were some concerns linked to that, which were not just about the fact that we are going into a bit of a void around those services, because people think that they are losing their jobs, and they look for other ones. It is also about what it did for the workforce in Wales. At a time when we are facing challenges in all sorts of employment, we are also going to be thinking that people might be made redundant from our services and that will have a ripple effect that goes beyond the direct provision. Through the offices of Children in Wales, we wrote to the Deputy Minister, and he has responded. It is probably down to one or two authorities. However, I believe that it was more about how we might interpret some of the other things that we have heard today, at a local level. That is not just about a local interpretation of what that means; it is about perhaps slightly more political decisions, if I

dare say that. However, overall, and as a member of an organisation that delivers services in other parts of the UK, I was proud to see this draft Welsh budget; I felt that there is a real intent here to protect children, and to protect them as vulnerable children. However, as with everything, the devil will be in the detail.

[99] **Helen Mary Jones:** I will bring Catriona in briefly, and then Members who wish to take that issue further.

[100] **Ms Williams:** To build on what Jan said, I had a meeting with officials last week to raise the issue that one authority has decommissioned 14 Cymorth projects from 1 April next year. Therefore, it is a communication issue to do with what WAG will do if, at a local level, they are not implementing the intent of the national approach. That is why we included the local child impact assessments as being very important. We are worried about that. It is variable; some authorities are not touching Cymorth projects, and others have just taken an opportunity to think, 'There is a pot of money that we can get rid of'. As Jan says, it has huge implications for any future Family First initiatives, because it means that we have to train up staff, recruit a workforce, and endure all the expenses of redundancy payments and so on. Therefore, it is a big issue.

[101] **Jonathan Morgan:** From discussions with the Government earlier, I can understand the need to separate some of the Cymorth money out into the revenue support grant, in order to help cover the cost of administering the scheme. The Minister mentioned some £5 million. What I was not clear about was whether that was £5 million a year, or over a three or four-year period.

[102] **Helen Mary Jones:** I believe that it is £5 million this year, but we can go back and check that.

[103] **Jonathan Morgan:** That is a significant sum of money to administer a scheme, if you divide that between 22 local authorities; perhaps we should find a way of administering that in a better way across local authorities. I found it staggering to hear Yvonne say that several local authorities had issued closure notices, and to hear Catriona say that we are talking about 14 projects in one local authority area. Without naming them, how many authorities in total have you heard of that have issued closure notices? This is extremely worrying.

[104] **Ms Leightley:** Initially, there were three. However, in the light of the representations that we made through Children in Wales, my understanding is that it is probably down to one that is stuck with the original closure.

[105] **Ms Rodgers:** There is definitely one that is stuck with it. [*Inaudible.*]

[106] We have discussed this with others, who have said, 'We may close, but we may not. There may be transition'. However definite that is, you are dealing with the uncertainty of your own staff during that period. They have to do the day job of delivering the service, not knowing whether they will be continuing after 31 March, which, in future planning terms, leaves us in a quandary. We want to continually innovate and change and make plans for the next year, and people feel that they are in this hiatus period, as we move towards Families First.

[107] **Helen Mary Jones:** Joyce Watson has the next questions.

[108] **Joyce Watson:** I wish to stick with the funding stream, but attach it to some areas of policy. Point three in paragraph 2 of Children in Wales's paper mentions particularly the children and families organisations grant and the fact that it is now being split between the Department for Children, Education, Lifelong Learning and Skills and the Department of

Health and Social Services and treated as two separate grant schemes for the Families First fund, which was mentioned this morning, and the difficulties that third sector organisations will have in accessing that money and the departments will have in understanding where it ought to go. I raise this now, because we are talking about confusion within funding streams, so I think that it fits. Would you like to expand on your concerns and the impact that this might have?

[109] **Ms Williams:** Yes. I have also made representations to officials. First, they have decided to roll it over for one year, so we can talk about it during this year, but the decision appears to have been taken that what was previously one grant scheme, albeit administered by two different departments, will now be treated as separate grant schemes. That affects the organisations at a national level that try to carry out joined-up working, which is our major issue for children. The Department of Health and Social Services is keeping it as a children and families pot, while DCELLS is keeping it as a potential Families First pot. I can give my organisation as an example, but there are many others.

[110] One wonders where the disabled children's empowerment work will lie. Would an organisation such as mine have to apply to two different pots? I doubt it, because the money in the health and social services pot is probably earmarked for the organisations that are already being funded. For us, in Children in Wales, there is sadness that there is no joined-up approach to funding pots, because that means that the third sector, including advocacy services such as Tros Gynnal, will have to go back to where we were 10 years or more ago in respect of joined-up work. When we are talking about the most vulnerable, we are worried that there may be unintended consequences to not looking at it between those two directorates. If you also take in the local government and social justice pots of money for children and young people, we would have hoped to expand it into more portfolios. There is also the health promotion grant scheme for various projects, including child safety and child accident prevention. They are not being looked at together. There is a question mark about all the grant schemes in WAG and how joined up they are in delivering WAG's strategic aims.

[111] **Joyce Watson:** I picked that theme up in all the papers that I read. Every single one of you made a comment about the fact that the pots were not joined up and that it might cause confusion. Are you concerned that if it causes confusion, it might also cause people not to access the money, either because they do not understand it or because they do not have the staff to go chasing that money?

[112] **Ms Williams:** Making multiple bids to various pots wastes time. For instance, Yvonne represents Children in Wales on the substance misuse strategic group. We know that the whole concept of Families First is to try to have a coherent whole around the family to support the child. We hope that the funding, in due course, will reflect that. It is a lot of extra work and, perhaps, unnecessary competition between agencies.

[113] **Helen Mary Jones:** May I ask a bit more about those unintended consequences that you mentioned, Catriona? Others are welcome to come in on this. As a committee, sadly, we sometimes see that the best ideas coming out of one Government department, if they are not supported by all the rest, can be more trouble than they are worth. Yvonne is keen to talk about this.

10.30 a.m.

[114] **Ms Rodgers:** There are a few elements in this for me. One is basic terminology and interpretation. We have heard a lot from the Minister about the most vulnerable children and front-line services, but what do we actually mean by that? What we know is that there is reduced funding for local authorities and they have had, as I have jotted down, 11 per cent more referrals in the past three years, an increase of 8 per cent in the number of children on

the child protection register and a 10 per cent increase in the number of looked-after children up to April 2010, and there is a lack of reference to early intervention. Sometimes, the children and young people we deal with are vulnerable by dint of the fact that they fall between stools and are on a spectrum of need, which means that if we do not, as agencies, intervene early, they will very soon become those families that are at the highest and intense level of need that the integrated family support services need to pick up. On Families First, because it is a new programme, there is still some concern and confusion for us as to which children it will address. Will there be some children who are considered to require not a low enough level of intervention to go into Families First, but whose needs are not great enough to go into integrated family support services? There are a number of stools that children and families can fall between because of that, and I was concerned about that in looking at the budget.

[115] The other thing, ironically, which is out of the Welsh Assembly Government's control, is that the budget itself does not champion or talk about poverty in the way that the Welsh Assembly Government poverty strategy and the delivery plan did—they were very focused and clear. Due to a substantially reduced budget, you are trying to make the best of what you have got. Let us just look at the three aims of reducing worklessness, increasing skill levels to reduce the number of families that are defined as working poor, and reducing the inequalities in education and health outcomes for children. As a result of some of the cuts in services that may be necessary, there may be, yet again, more workless households, so it is almost as if one budget might work against the other. I am, for instance, reassured that the education maintenance allowance is being retained in Wales because I was very concerned when the Westminster Government said that it was removing that. At a previous committee, we were talking about considering a work maintenance allowance in Wales for those young people who seem to fall between stools because they are 16 or 17 and are worse off in work than they were on benefits. Maintaining some of those allowances would have been most helpful.

[116] **Mr Mannion:** The thrust of our input was to make the point that if the budget for preventative services is hit, that will automatically impact on the threshold for children accessing the child protection system. So, we are going to have massive pressure there. To broaden it out a bit further, children do not live in a world of work funded by children's services; they live in families and communities. Looking at the budget in broader terms, we also need to think about how other aspects of the budgetary settlement might impact on children. I am thinking particularly of issues around domestic abuse and services that address that. I am also thinking about substance misuse, alcohol abuse and parents who have mental health problems. Those three factors are very significant in respect of children in the child protection population. To broaden a point that has been made, it is about the impact of decisions that are being made in the UK more widely around benefits, how those decisions will impact on children in Wales, and trying to understand the accumulative effect of everything that will impact on children.

[117] **Ms Williams:** To follow on from that, I represent Children in Wales on the Department for Work and Pensions social inclusion advisory group. I was very pleased to hear the Minister say that there was a standing item on the agenda now, because I am very aware of all the other things that will impact on Wales from the UK Government. The Frank Field review is due to report, and I do not believe that it has talked to Wales at all. There are various external pressures. For years, where money to go into parenting programmes is concerned, Wales has fallen well behind England. Many of our programmes are currently funded by the youth justice board's prevention budget; that was originally for parenting orders, but it has spread out into local communities. The board has announced—and it may not even exist in the future—that that budget is going. That decision will have a big impact on early intervention for our most vulnerable families. We have to be aware of those pressures on us, because the status quo is not what we will be faced with.

[118] **Ms Leightley:** I would endorse what has already been said about early intervention in its widest interpretation. The idea that this is slightly fluffy work around the edges of the voluntary sector's work is not the case. The children that we work with in our services are often moving in and out of what I would call the acute services of child protection and LAC provision. It is something of a permeable membrane.

[119] However, in some of the work that we have done, we have baldly said that it is cost-effective. People get it intellectually, and then they talk—I have been a head of service myself, so I know about the pressures of the looked-after population, turning the oil tanker around, and all the rest. We have done some research with the New Economics Foundation—and one of our Welsh projects was involved in that—which clearly demonstrates the longer-term benefits of spending money now on the more preventive services, as opposed to waiting until the need becomes acute. The problem with that is in the sorts of increases in demand that we have heard about, and how local authorities can be encouraged and supported to try to manage the transition. It will not be a six-month result—we are talking about the longer term. At present, there is some short-termism about results.

[120] I would like to say one thing about accountability. We heard quite a lot from the Minister about schools being called to account for the expenditure. I did not hear it all, so I wonder whether there was something about a gap in some of the other expenditure. I believe that the Minister talked about tracking some of the LAC expenditure through schools, but that it only part of the story for looked-after children. There are other people who have a more significant impact on the expenditure there. There may still be a broader accountability question about all these moneys and whether they go to the right children, and not just to the schools' budgets. However, I acknowledge that I may have missed that.

[121] **Helen Mary Jones:** That is a useful point. Lynne Neagle wishes to come in on this.

[122] **Lynne Neagle:** Given the pressures that everyone is facing, which you described, do you believe that the Assembly Government has struck the right balance between targeting resources and protecting universal services in this budget?

[123] **Ms Leightley:** It is difficult to be put in the position of having to choose between them. Clearly, you need a good level of universal benefits—they are a key plank. Again, I was encouraged by some of those that are being maintained in Wales—there is no doubt that they are a key plank for the general population of children. There has been a stronger statement in relation to the most vulnerable in Wales than there has been anywhere else in the UK, so, on that level, I would say that the consistent commitment to protecting the most vulnerable runs strongly through the budget. Unfortunately, you need to have good levels of both, and although the services that are here focus very much on protecting the most vulnerable children and young people, we know how quickly children can become vulnerable if some of these universal benefits are not also in place.

[124] **Helen Mary Jones:** Would anyone else like to pick up on this universal and targeted question?

10.40 a.m.

[125] **Ms Williams:** I think that there is an issue for the third sector organisations with regard to how it will be implemented. To answer your question, retention of the foundation phase is excellent. That is a pot of money, and we know that investing in young children in particular is really important. However, with regard to the fabric of universal services, we are beginning to see an unintended consequence, which is that third sector delivery of all sorts of youth work, such as support for families to be advocates for their children and so on, may, at

the local level, become a soft target for local authorities to cut first, if they have a reduced budget. There have been a lot of discussions through the third sector partnership council about authorities that say, 'We can do it cheaper in-house', when they have perhaps not costed in the heating, the lighting, the accountancy and all that. So, I think that there is a broad issue about the fabric of community youth clubs and so on being undermined by over-targeting.

[126] Clearly, we would like a bigger budget to deal with all the needs, but we are where we are. A balance has been struck at national level, but I think that there is going to be a big issue at local level; it is going to be very variable. I cannot remember who was asking the questions about how outcomes for children are going to be measured, but that is really important. How are authorities going to be held accountable—and health boards, because it is not just the authorities—for how they use the money they have on children?

[127] **Ms Rodgers:** I was thinking about targeting itself. I was reassured this morning, following the Deputy Minister's announcement yesterday of the additional targeted funds focused on the grant to children in the looked-after system on leaving care. On top of the budget, there suddenly came this useful and interesting thing, because that is a particular area that we, as organisations, have repeatedly raised because there is no safety cushion for those young people leaving the care system. There was also an acknowledgement of the vulnerability of disabled children. I think that we have fallen back in Wales—although perhaps not within these hallowed walls. We did not have the Aiming High for Disabled Children programme that they had in England, which provided a lot of benefit for disabled children in the form of grants and new services. So, I was very pleased to see the additional funding for services within Families First, but also to see a targeted element of Families First focused on disabled children.

[128] More widely, talking about benefits, I am afraid that I am of a mind to think that it depends how bad it gets. If we are talking about universal benefits, it is all very well, but, no matter how well off we are, should we all have free prescriptions when 32 per cent of the children in this country live in poverty? With regard to those sorts of checks and balances, luckily, I am this side of the table telling you that I do not want you to cut anything, while you have to come up with a balanced budget that works for you.

[129] **Helen Mary Jones:** Well, no; the Ministers have to come up with a balanced budget. None of the three of us have to do that, but I take your point.

[130] **Mr Mannion:** I do not have a comment on universality as such, but to go back to the point where my colleagues came in, I want to restate that our bias is surely towards funding early intervention and the preventive agenda, because that leads to the best outcomes, and it is probably more cost-effective in the immediate and longer term.

[131] **Helen Mary Jones:** That is the clear message that we are picking up, not only from looking at the budget, but in returning to previous inquiries.

[132] **Joyce Watson:** That leads me on nicely to the subject of intervention. I am looking at paragraph 3.3 on thresholds in the NSPCC paper. You raise the issue of thresholds and the fact that, already, there are children falling below those thresholds. Worryingly, the last sentence of that paragraph states:

[133] 'We would urge local government not to raise child protection thresholds further'.

[134] To me, that meant that you had some evidence that they had already been raised. When we talk about budgets and future impacts on them, something we all know is that, if we do not protect children in the right way, two things will happen. First, those children will need longer-term support and care leading right into adulthood, probably. Secondly, the local

authority, if it is found wanting, will be challenged through the courts, and it will spend more money trying to defend itself in the court than it perhaps should have spent on the children had it not raised that threshold. As a member of the Children and Young People Committee, rather than just see this statement, I would like to see some meat on the bones so that we could further explore your evidence, which claims that that threshold is being raised.

[135] **Mr Mannion:** I do not have any hard evidence with me today. The point that we were making is that our experience is that, generally, we can have variable responses from children services departments when we make referrals about cases of concern. Often, we will have a case that we refer in as a matter of high concern not treated in that way. It is a variable picture and the evidence around that is anecdotal. I guess that the issue for us, also, is that we often find that in some of the projects that we work in, such as those in relation to domestic abuse or providing services for children, we will often find out in the course of our intervention that a family is known to social services and a child is on a child protection register. We will not know because we are brought into the process; we find out almost by accident. I guess that the issue for us is about the extent to which our voice is heard and is deemed to have equal weight and significance to that of colleagues in social services. All of our staff are social workers, but it often seems to me—and I think that this is probably a shared perception—that our voices are disregarded in some way because we are somehow not seen as being knowledgeable enough, perhaps, or not seen as being part of the network in quite the same way. There is a general sense for us that the issue with thresholds has always been there. I guess that we can go back to messages from the UK research that referred to how tightly the net is drawn in respect of child protection. If it is drawn too tightly, too many children will get caught up in it. If it is drawn too loosely, too many children just pass through it and the system does not work. I fully acknowledge that it is a difficult thing for local authorities to balance and get right, but they have to do it.

[136] **Helen Mary Jones:** Does anyone else wish to comment on this balance of thresholds for people receiving services or getting access into the system?

[137] **Ms Rodgers:** Some of the balance is about age. In referrals, for instance, we talk a lot about early support, even within this budget. You have the same from a local authority child protection perspective where there is clear understanding of the vulnerability of a pre-verbal child, for instance. As that child becomes older and moves towards being a young person, his or her vulnerability is not viewed in light of the threshold in the same way. As a consequence, if you are trying to make referrals concerning a young person who is 15 or 16 years old, even though the Children Act states very clearly that a young person is a child until the age of 18, that is definitely not our experience on receipt of referrals for older young people who may be judged in some way to be making some choices in their lives without the recognition of how extremely vulnerable and unable to make choices they are because of the nature of their upbringing to that point. We are particularly concerned about that when we work with young people whom we are very concerned about as a result of sexual exploitation or substance misuse.

[138] **Helen Mary Jones:** Jan wanted to add something.

[139] **Ms Leightley:** I just wanted to endorse that and to agree. There has always been an issue of thresholds in the statutory sector and those that might want to refer into them. Some of us have very highly developed internal procedures to ensure that if we do get a response that does not appear to be right for the child, we will pursue the matter. That is why it is important to acknowledge what we have heard on the news today about the lack of awareness and understanding of the local safeguarding children boards. They are a vehicle for us in the voluntary sector to be able to have more impact on the way in which authorities generally respond. So, we want to ensure that the messages that we are hearing about the lack of awareness among people who provide services that are linked to those boards are picked up.

10.50 a.m.

[140] In my many years of experience, thresholds very much get linked to the pressures on local authority departments. There is no question about it—if you do not have the staff, you tend to put your thresholds up. That is a real challenge for local authority departments, but it is also the third sector’s duty to ensure that we do not condone that by being too sympathetic to that position at an increasingly difficult time for the local authorities.

[141] **Helen Mary Jones:** I will now bring Catriona in. We have some young people in the gallery; a very warm welcome to you. So that you know what we are talking about, I will just explain that what we are doing in committee today is discussing the impact of the Assembly Government’s draft budget with some of the representatives of the big voluntary organisations that work with and support children and young people. The next speaker is Catriona Williams from Children in Wales.

[142] **Ms Williams:** Thank you. First, I want to ask the committee whether it has received a paper from the Association of Directors of Social Services about pressures on children’s services. To follow on from Jan’s point, if there has been a real increase of 8 per cent on child protection registers anyway, and if that trend is continuing, it goes back to the original point that I made about demand and supply. Inevitably, if there is insufficient staff in a local authority, thresholds will be affected. That also goes again back to the spend of local authorities on children and how much resource is going into the social services part of the local authority, which varies considerably across Wales. With regard to the local safeguarding children boards, it is also about how much resource and support from other agencies go into the fabric of services to support children who are on the cusp of being subject to child protection. So, it is a big issue. The budget is fine as a standstill budget, but I do not think that we have taken into account the extra pressures and demands.

[143] **Helen Mary Jones:** That is very helpful and will help to inform us on the budget. I want to put a question to you that arises partly out of the discussions that we had with the Minister and the Deputy Minister on the issue of local decision making, ring-fencing money and soft ring-fencing—whatever that means; no-one has yet sensibly explained to me what that means. I think that it means, ‘We expect you to spend this money and, if you do not, we might be rather cross’, which, given all the pressures that we have been discussing, does not cut much ice. Perhaps I am being cynical—my fellow committee members are used to that.

[144] Seriously, I wish to explore with you the issue, in these difficult times, of the Assembly Government’s budget allocations for children and young people to local authorities. By that, I do not just mean councils but also health boards and all the local delivery mechanisms. To what extent would you support elements of ring-fencing and—slightly playing the devil’s advocate—if you ring-fence budgets, what space does that leave for local democratic decision-making to respond to the needs of children and young people in their communities or their community’s priorities, which might be quite different? As organisations that deliver services across Wales, you will obviously have a particular perspective on that. Let us leave to one side the one local authority that appears to me, without knowing which one it is, to be making the political decisions that they want to make anyway, off the back of Assembly budgets, which have nothing to do with the Assembly Government’s budget. So, there is that tension between national policy, national money, local decision-making and Wales being a country of very different communities.

[145] So, I would like some perspective on whether you feel that the Welsh Government is getting that right, by hard ring-fencing the child and adolescent mental health budget, for example—if you do not spend that money on children, you do not get it at all—and soft ring-fencing schools and some other local authority budgets. If you feel that, as organisations that

have to work with local authorities all the time, you cannot comment, we will appreciate that as well. Catriona is in a slightly merciful position on that.

[146] **Ms Williams:** We have not discussed this, but I can give you Children in Wales's view. Our experience is that the Children First budget was successful when it was hard ring-fenced. People who work with children at local level were pleased that it was ring-fenced. I think that you might have been in a local authority at that time, Jan. So, we were pleased with the decision of the Minister and the Deputy Minister to keep Cymorth ring-fenced. The question is: what do you do if the authorities do not do what is intended? Measuring outcomes is one way of getting around the autonomy of a local authority to do what it likes with the money, as long as the outcomes for the children, and the measuring processes, are robust. Maintaining budgets for children, at this point in time, with demographic change and post-recession, will involve pressures, so Children in Wales has always wanted as much hypothecation of funds for children as possible. We know that, in England, they have done it; the Local Government Association in England has been more receptive to this than the WLGA.

[147] **Helen Mary Jones:** Jan, I could see that you very much agree with some of those points.

[148] **Ms Leightley:** Yes, and I appreciate how important it is to local authorities to be able to focus on meeting the needs of their communities in the way that they think fit. I would have to agree with Catriona. I was head of service when Children First funding was launched, and I welcomed it. When I was asked within my local authority whether I wanted it to be non-hypothecated, I definitely did not, because one of the running themes of this group has been the protection of children—demographically a small group—given the real pressures that local government faces. So, for instance, the protection of the health and social services budget is good, but we know that the vast amount of that is seen as being for our ageing demographic and the needs of older people. It is important that we recognise that it is the same with mental health funding, and with carers—children form such a small part of the demographic that they need a bit of protection. It is not about saying that an extra amount should be spent on children, but there is a risk that the good policies that we have in Wales—we do have good policies—will fall at the implementation stage, because even the minimal allocations that are expected for children do not necessarily get passed on at local level in the way that is envisaged. That is another running theme of this group. There has to be a balance, but our experience has been that Children First is a very good example of the need, sometimes, to just protect funding for children.

[149] **Helen Mary Jones:** Yvonne and Des, would you briefly like to add to that? We are almost out of time. The clock has beaten us.

[150] **Ms Rodgers:** I agree on ring-fencing; it is important. Children's issues can get lost in this. I was glad that the question was asked this morning about a children and young people's budget statement, so that you had clarity about what was being spent on children and young people. There is a danger of it being lost within the mental health budget. We know that that has happened over the years. For example, for how many years have we asked what is happening about child and adolescent mental health services? Although there are some improvements, I think that we could lose ground now on community support for young people with mental health difficulties. I have already talked about disabled children, and it is important that their funds are ring-fenced.

[151] **Mr Mannion:** I support that.

[152] **Helen Mary Jones:** Yvonne, I know that this is short notice, but on the children and young people's mental health budget—we would all be worried if it is not being effectively

ring-fenced, as it is supposed to be ring-fenced—if there is any additional information that you want to provide us with, such as specific examples on the ground, you would be welcome to provide that in confidence. We could take that verbally to Ministers. If budgets are technically ring-fenced but even that is not working, we really need to know that.

11.00 a.m.

[153] **Ms Rodgers:** I think that it is about interpretation. You can monitor, you can look and you can ask questions, but time passes during that period. My concern is that, if elements are misinterpreted, by the time we have found out from a particular local authority why it has not spent money on an area that has been designated, a year may have passed. That means that, for that year, young people will not have received that service.

[154] **Helen Mary Jones:** That is certainly something that we can try to speed up. Joyce, please be very brief in your comments.

[155] **Joyce Watson:** I will be very brief. One area that I do not think anyone has asked about this morning is youth homelessness. However, it is mentioned in a number of papers. We have not touched on it, and I know that we are now running out of time. Can you make any brief comments about that in relation to the budget?

[156] **Ms Rodgers:** There is no specific reference. I know that there are some issues here with the UK Government leaving very many vulnerable people struggling with homelessness. From our experience, that has always been worse for the young people we work with who are aged between 16 and 17. We are taking part in a campaign, along with other voluntary organisations, which Shelter is leading on at the moment, to try to address youth homelessness issues.

[157] There are issues about the 1.48 per cent cut in Supporting People funding for the coming year, and section 180 funding has also been cut by 2.9 per cent. Clearly, these cuts will present a real danger to youth homelessness services that provide for these very vulnerable young people.

[158] **Helen Mary Jones:** Thank you; that is a slightly grim note on which to end, but it is worth repeating on record that the Welsh Government has, at least, made an effort to address some of these things in its budgets.

[159] I thank our witnesses. In doing so, I apologise for the conditions in this room and put on record that I will not hold committee meetings under these health and safety conditions in future. If I find that we are expected to meet in a room that is this cold, I will suspend the meeting. It is unreasonable. Members are allowed to walk in and out, but it is rude and discourteous to witnesses and it is most unfair to staff. We will not be putting up with that again. Thank you for bearing with us; we appreciate it. I also thank you for both your written evidence and for the very useful discussion today.

[160] I remind Members that there will be an additional meeting, by agreement, between 1 p.m. and 1.30 p.m. on 7 December to discuss the draft report arising from these discussions on the budgets. Thank you all.

[161] There are papers to note, but we will not talk about them; otherwise, we will freeze.

*Daeth y cyfarfod i ben am 11.02 a.m.
The meeting ended at 11.02 a.m.*