

## Agenda – Y Pwyllgor Cyllid

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Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 2 – y Senedd	<b>Bethan Davies</b>
Dyddiad: Dydd Iau, 14 Ionawr 2016	Clerc y Pwyllgor
Amser: 09.00	0300 200 6565
	<a href="mailto:SeneddCyllid@Cynulliad.Cymru">SeneddCyllid@Cynulliad.Cymru</a>

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### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon

(09.00)

### 2 Papurau i'w nodi

(09.00)

(Tudalennau 1 – 5)

Llythyr at Gadeirydd y Pwyllgor Cyllid oddi wrth y Gweinidog Iechyd a  
Gwasanaethau Cymdeithasol

(Tudalennau 6 – 8)

Llythyr at Gadeirydd y Pwyllgor Cyllid oddi wrth y Gweinidog Cyllid a Busnes y  
Llywodraeth

(Tudalennau 9 – 12)

Llythyr at Gadeirydd y Pwyllgor Cyllid oddi wrth y Gweinidog Cyllid a Busnes y  
Llywodraeth

(Tudalennau 13 – 24)

### 3 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn dystiolaeth 2

(09.00 – 10.30)

(Tudalennau 25 – 54)

Jon Rae – Rheolwr Adnoddau, Cymdeithas Llywodraeth Leol Cymru

Y Cynghorydd Anthony Hunt – Dirprwy Arweinydd Cyngor Bwrdeistref Sirol

Torfaen / Dirprwy Lefarydd Cyllid, Cymdeithas Llywodraeth Leol Cymru

Y Cynghorydd Huw David – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr /

Llefarydd Iechyd a Gofal Cymdeithasol, Cymdeithas Llywodraeth Leol Cymru



Papur 1 – Ymateb Cymdeithas Llywodraeth Leol Cymru (WLGA) i'r ymgynghoriad  
Briff y Gwasanaeth Ymchwil

## **Egwyl**

(10.30 – 10.45)

### **4 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn dystiolaeth 3**

(10.45 – 12.15)

(Tudalennau 55 – 81)

Adam Cairns – Prif Weithredwr Bwrdd Iechyd Prifysgol Caerdydd a'r Fro

Steve Moore – Prif Weithredwr Bwrdd Iechyd Prifysgol Hywel Dda

Papur 2 – Ymateb Conffederasiwn GIG Cymru i'r ymgynghoriad  
Briff y Gwasanaeth Ymchwil

## **Cinio**

(12.15 – 13.00)

### **5 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn dystiolaeth 4**

(13.00 – 14.00)

(Tudalennau 82 – 97)

Dr Victoria Winckler – Cyfarwyddwr Sefydliad Bevan

Michael Trickey – Cynghorydd Cymru, Sefydliad Joseph Rowntree

Papur 3 – Ymateb Sefydliad Bevan i'r ymgynghoriad

Papur 4 – Ymateb Sefydliad Joseph Rowntree i'r ymgynghoriad

Briff y Gwasanaeth Ymchwil

### **6 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn dystiolaeth 5**

(14.00 – 14.30)

(Tudalennau 98 – 118)

Eleri Butler – Prif Weithredwr Cymorth i Ferched Cymru

Papur 5 – Ymateb Cymorth i Ferched Cymru i'r ymgynghoriad

Briff y Gwasanaeth Ymchwil

**7 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:**

(14.30)

Eitemau 8 a 9.

**8 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Trafod y dystiolaeth**

(14.30 – 14.45)

(Tudalennau 119 – 120)

Papur 6 – Llythyr oddi wrth y Gweinidog Cyllid a Busnes y Llywodraeth – 7 Ionawr 2016

**9 Y Bil Casglu a Rheoli Trethi (Cymru): Trefn ystyried**

(14.45 – 14.50)

(Tudalennau 121 – 122)

Papur 7 – Trefn ystyried ar gyfer Cyfnod 2

## Cofnodion cryno – Y Pwyllgor Cyllid

Lleoliad:

Gellir gwyllo'r cyfarfod ar [Senedd TV](#) yn:

Ystafell Bwyllgora 2 – y Senedd

<http://senedd.tv/cy/3332>

Dyddiad: Dydd Iau, 3 Rhagfyr 2015

Amser: 09.01 – 10.46

### Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Jocelyn Davies AC (Cadeirydd) Peter Black AC Christine Chapman AC Mike Hedges AC Alun Ffred Jones AC Jenny Rathbone AC (yn lle Ann Jones AC) Julie Morgan AC Nick Ramsay AC
Tystion:	Simon Brindle, Y Lab Steve Martin, Sefydliad Polisi Cyhoeddus Cymru
Staff y Pwyllgor:	Bethan Davies (Clerc) Gerallt Roberts (Dirprwy Clerc) Martin Jennings (Ymchwilydd) Christian Tipples (Ymchwilydd) Joanest Varney-Jackson (Cynghorydd Cyfreithiol)



## TRAWSGRIFIAD

Gweld [trawsgripiad o'r cyfarfod](#).

### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon

1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.

1.2 Cafwyd ymddiheuriadau gan Ann Jones AC.

1.3 Roedd Jenny Rathbone AC yn bresennol fel dirprwy i Ann Jones AC.

### 2 Papurau i'w nodi

2.1 Cafodd y papurau eu nodi.

### 3 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn Drosolwg

3.1 Clywodd y Pwyllgor dystiolaeth gan Simon Brindle, Cyfarwyddwr, Y Lab, a Steve Martin, Cyfarwyddwr, Sefydliad Polisi Cyhoeddus Cymru.

### 4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:

4.1 Derbyniwyd y cynnig.

### 5 Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: Sesiwn Drosolwg: Trafod y dystiolaeth

5.1 Trafododd y Pwyllgor y dystiolaeth a ddaeth i law.

### 6 Ombwdsmon Gwasanaethau Cyhoeddus Cymru: Cyllideb Atodol 2015–16

6.1 Nododd y Pwyllgor y papur a bydd yn ei ystyried ymhellach gyda'r Gyllideb Atodol nesaf.

### 7 Ariannu yn y Dyfodol: Y prif faterion

6.1 Trafododd y Pwyllgor y materion allweddol a chytunodd i ohirio trafodaeth bellach er mwyn gwahodd Prif Ysgrifennydd y Trysorlys i roi dystiolaeth.

# Cofnodion cryno – Y Pwyllgor Cyllid

Lleoliad:

Gellir gwyllo'r cyfarfod ar [Senedd TV](#) yn:

Ystafell Bwyllgora 2 – y Senedd

<http://senedd.tv/cy/3329>

Dyddiad: Dydd Mercher, 9 Rhagfyr 2015

Amser: 09.00 – 10.57

## Yn bresennol

Categori	Enwau
Aelodau'r Cynulliad:	Jocelyn Davies AC (Cadeirydd) Peter Black AC Christine Chapman AC Mike Hedges AC Alun Ffred Jones AC Jenny Rathbone AC (yn lle Ann Jones AC) Julie Morgan AC Nick Ramsay AC
Tystion:	Jane Hutt AC, Y Gweinidog Cyllid a Busnes y Llywodraeth Jo Salway, Llywodraeth Cymru Margaret Davies, Llywodraeth Cymru Jeff Andrews, Cynghorydd Polisi Arbenigol, Llywodraeth Cymru
Staff y Pwyllgor:	Bethan Davies (Clerc) Tanwen Summers (Dirprwy Clerc) Gerallt Roberts (Dirprwy Clerc)



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

Tudalen y pecyn 3

	Martin Jennings (Ymchwilydd) Christian Tipples (Ymchwilydd) Joanest Varney-Jackson (Cynghorydd Cyfreithiol)
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## TRAWSGRIFIAD

[Trawsgrifiad o'r cyfarfod.](#)

### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon

- 1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.
- 1.2 Cafwyd ymddiheuriadau gan Ann Jones AC.
- 1.3 Roedd Jenny Rathbone AC yn bresennol fel dirprwy ar ran Ann Jones AC.

### 2 Papurau i'w nodi

- 2.1 Cafodd y papurau eu nodi.

### 3 Cyllideb Ddrafft Llywodraeth Cymru 2016–17: Sesiwn dystiolaeth 1

3.1 Clywodd y Pwyllgor dystiolaeth gan Jane Hutt AC, y Gweinidog Cyllid a Busnes y Llywodraeth; Jo Salway, Dirprwy Gyfarwyddwr Cyllidebu Strategol, Llywodraeth Cymru; Margaret Davies, Pennaeth Cyflawni Cyllidebol, Llywodraeth Cymru; a Jeff Andrews, Cynghorydd Polisi Arbennig, Llywodraeth Cymru.

### 4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod hwn ar gyfer y busnes canlynol:

- 4.1 Derbyniwyd y cynnig.

### 5 Cyllideb Ddrafft Llywodraeth Cymru 2016–17: Ystyried y dystiolaeth

- 5.1 Ystyriodd y Pwyllgor y dystiolaeth a ddaeth i law.
- 5.2 Cytunodd y Pwyllgor ar y llythyr ymgynghori.

### 6 Swyddfa Archwilio Cymru: Cynllun Ffioedd 2016–17

- 6.1 Cymeradwyodd y Pwyllgor y cynllun ffioedd.

### 7 Rhagolygon ar gyfer Trethi Cymru

- 7.1 Nododd y Pwyllgor y papur.

## 8 Ymchwiliad etifeddiaeth

8.1 Cytunodd y Pwyllgor ar y ddwy bennod ddrafft.

Mark Drakeford AC / AM  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MAL/MD/0615/15

Jocelyn Davies AC  
Cadeirydd y Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
Caerdydd  
CF99 1NA

7 Rhagfyr 2015

Annwyl Jocelyn,

### **Bil Iechyd y Cyhoedd (Cymru)**

Hoffwn ddiolch i chi a'r Pwyllgor Cyllid am eich adroddiad ar Fil Iechyd y Cyhoedd (Cymru). Rwyf wrthi'n ystyried argymhellion y Pwyllgor a byddaf yn cyfeirio atynt yn ystod y drafodaeth ar egwyddorion cyffredinol y Bil yn y Cyfarfod Llawn yfory. Bydd ymateb llawn i argymhellion y Pwyllgor yn dilyn maes o law. Fodd bynnag, cyn y drafodaeth roeddwn eisiau rhannu gwybodaeth bellach gyda chi, a diweddariad technegol ar achos R (on the application of Hemming) (t/a Simply Pleasures Ltd) (Respondents) v Westminster City Council (Appellant), a'i effaith bosibl ar y Bil.

### **Cefndir yr achos**

Roedd yr achos yn ymwneud â grŵp o berchnogion siop ryw yn Westminster a heriodd Gyngor Dinas Westminster ynghylch lefel y ffioedd trwydded a'r broses a ddilynwyd i'w pennu. Yn flaenorol, roedd yn ofyniad gan y Cyngor fod rhai o oedd yn gwneud cais am drwydded siop ryw yn talu swm sylweddol (£29,435 yn 2011/12) gyda'u cais. Roedd hwn yn cael ei rannu yn swm llai (£2,667 yn 2011/12) a oedd yn gysylltiedig â phrosesu'r cais, a swm mwy (£26,435 yn 2011/12) a oedd yn gysylltiedig â gweinyddu a gorfodi'r drefn drwyddedu gyfan. Roedd yn bosibl ad-dalu'r swm mwyaf pe byddai cais yn aflwyddiannus.

Roedd yr atebudd yn honni bod y system a ddefnyddiodd Westminster yn anghyfreithlon o dan y gyfraith ddomestig a chyfraith yr UE. Y prif achos oedd nad oedd sail dros fynnu bod ymgeiswyr llwyddiannus nac ymgeiswyr aflwyddiannus yn talu costau gweinyddu a gorfodi'r drefn. Yr achos eilaidd oedd nad oedd sail dros fynnu bod costau o'r fath yn cael eu talu gyda'r cais, hyd yn oed os oedd modd cael ad-daliad. Roedd y Llys Apêl yn cytuno â phrif achos yr atebudd, ac roedd o'r farn fod rhaid i awdurdod fel Westminster dalu costau o'r fath allan o'i ardrethi cyffredinol neu gronfeydd eraill.

Yn dilyn hynny, apeliodd Gyngor Dinas Westminster i'r Goruchaf Lys. Daeth y Goruchaf Lys i'r casgliad isod:

- Mae paragraff 19 o Atodlen 3 i Ddeddf Llywodraeth Leol (Darpariaethau Amrywiol) 1982 yn galluogi awdurdod trwyddedu i godi ffi ar ymgeisydd am ganiatáu neu adnewyddu trwydded at ddibenion costau rhedeg a gorfodi'r cynllun trwyddedu. Gellir talu'r ffi hwn naill ai (a) adeg caniatáu'r drwydded; neu (b) ar sail ad-daliadwy, adeg cyflwyno'r cais.
- Mae erthygl 13(2) o Gyfarwyddeb 2006/123/EC yn ymdrin â gweithdrefnau awdurdodi a ffioedd sy'n gysylltiedig â cheisiadau am ganiatâd i ymarfer neu gael mynediad at weithgaredd gwasanaeth, megis rhedeg siop ryw, a dim mwy na hynny. Nid yw'n atal codi tâl cymesur ar y sawl y caniateir trwydded iddynt, at ddibenion costau gweinyddu a gorfodi y drefn drwyddedu.

Mae'r mater ynghylch amseriad taliadau am drwyddedau wedi cael ei gyfeirio at Lys Cyfiawnder yr Undeb Ewropeaidd.

### **Sut mae hyn yn berthnasol i Fil Iechyd y Cyhoedd (Cymru)**

Mae'r Bil yn sefydlu system drwyddedu mewn perthynas â thriniaethau arbennig. Mae'r achos, felly, yn uniongyrchol berthnasol i'r darpariaethau hyn. Ni chredir bod yr achos yn effeithio ar rannau eraill o'r Bil.

Yn ei adroddiad, roedd y Pwyllgor yn gwneud y sylw fod y Goruchaf Lys wedi ystyried dwy senario bosibl yn ymwneud â'r achos:

- "Cynllun Math A" lle mae awdurdod lleol yn codi tâl ar ymgeisydd am gostau gwneud y cais, pan fo'n gwneud cais i gofrestru. Yna, mae'n codi ffi ychwanegol ar ymgeisydd llwyddiannus at ddibenion costau rhedeg a gorfodi'r cynllun; a
- "Cynllun Math B" lle codir tâl am gostau rhedeg a gorfodi'r cynllun pan wneir y cais, ond caiff ei ad-dalu i ymgeiswyr aflwyddiannus.

Roedd y Goruchaf Lys o'r farn fod Cynllun Math A yn ganiataol o dan y gyfraith ddomestig a chyfraith Ewrop. Fodd bynnag, o ran Cynllun Math B, roedd y Llys o'r farn y dylid cyfeirio'r mater at Lys Cyfiawnder yr Undeb Ewropeaidd, er mwyn darganfod a oedd cynllun o'r fath yn gyson â chyfraith Ewrop. Yn y bôn, cwestiwn ynghylch amseru yw hwn. Hynny yw, a ellir codi tâl am y costau o dan gynlluniau Math B ar sail ad-daliadwy ar yr adeg y gwneir y cais ai peidio.

Nid yw Llys Cyfiawnder yr Undeb Ewropeaidd wedi rhoi ei ddyfarniad ar y mater hwn eto, ond fy mwriad yw fod awdurdodau lleol i gael yr hyblygrwydd i godi ffioedd rhesymol, sut bynnag y maent yn dymuno gwneud hynny. Mater i'r awdurdodau lleol fydd penderfynu a ydynt yn dymuno defnyddio 'Cynllun Math A' neu 'Gynllun Math B'.

Rwyf yn ystyried ar hyn o bryd a oes angen gwneud gwelliant er mwyn i'r pwynt fod yn fwy eglur. Byddaf yn sicrhau bod y Memorandwm Esboniadol diwygiedig yn ymdrin â'r pwynt hwn pan gaiff ei ddiweddarau yn dilyn ystyriaethau Cam 2.

Rwyf yn gobeithio y bydd yr wybodaeth a geir yn y llythyr hwn yn rhoi'r eglurhad yr oedd aelodau'r Pwyllgor yn dymuno ei gael. Rwyf yn anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Iechyd a Gofal Cymdeithasol, oherwydd y codwyd y mater hwn hefyd yn ei adroddiad ar egwyddorion cyffredinol y Bil.

Yn gywir

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

**Mark Drakeford AC / AM**

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol

Minister for Health and Social Services

Jane Hutt AC / AM  
Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business



Llywodraeth Cymru  
Welsh Government

Jocelyn Davies AM  
Chair, Finance Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

7 December 2015

*Dea Jocelyn,*

**FINANCE COMMITTEE'S REPORT: SCRUTINY OF WELSH GOVERNMENT FIRST SUPPLEMENTARY BUDGET 2015-16**

Thank you for your letter of 10 July enclosing a copy of the Finance Committee's report on the Welsh Government Supplementary Budget 2015-16.

I enclose a note at Annex A, which responds to the recommendations contained within the Committee's report on the First Supplementary Budget 2015-16.

*Best wishes,  
Jane*

**Jane Hutt AC / AM**  
Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

English Enquiry Line 0300 0603300  
Llinell Ymholiadau Cymraeg 0300 0604400  
Correspondence.Jane.Hutt@wales.gsi.gov.uk

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## **Annex A - Response to Recommendations in Finance Committee Report**

### **NHS Funding**

**Recommendation 1. The Committee recommends that the Minister provide the Committee with an update on how work to put NHS finances on a sustainable footing is progressing, and confirms the Government expectations of the financial performance of NHS organisations in 2015-16.**

As the Minister for Health and Social Services has confirmed, he was able to approve the three-year plans for Cardiff and Vale and Abertawe Bro Morgannwg University Health Boards in September, bringing the total number of approved plans in 2015-16 to seven out of a total of ten NHS organisations

Three-year plans could not be approved for Betsi Cadwaladr and Hywel Dda University Health Boards, or the Welsh Ambulance Services Trust in 2015-16. These organisations have prepared and are working to one-year operational plans.

The Minister for Health and Social Services recently gave evidence to the Finance Committee on the NHS Finance (Wales) Act planning arrangements, describing the improvements in planning processes that had arisen as a result of that legislation. We will continue to only approve those plans that are robust and merited that recognition. In his evidence to the Committee, the Minister stated that he considered it unlikely that Betsi Cadwaladr UHB would be in a position to submit an approvable plan in 2016-17, and there remained doubts about the ability of Hywel Dda UHB to submit an approvable plan as well. There was however, more confidence that WAST will have an approvable plan next year.

**Recommendation 2. The Committee recommends that the Government provide details of the impacts that the additional allocations for reforming the NHS in this supplementary budget have had. Given that the Assembly will have dissolved ahead of the elections by the end of the 2015-16 financial year, the Committee would be grateful if an update could be provided in time for the second supplementary budget 2015-16. This will enable the Committee to be confident that the additional allocations have contributed to the NHS reforms that it was intended to help drive forward.**

The allocations made to Health and Social Services in the First Supplementary Budget support our key ambition to shift more services from hospitals and improve access to preventative, integrated community, primary and social care in line with our primary care plan. The Minister for Health and Social Services will be reporting on the use of these funds by the end of the financial year.

### **Additional mental health funding**

**Recommendation 3. The Committee is pleased to see additional funding provided to mental health, particularly for children and young people. However, the Committee would recommend that firm targets are linked to the additional allocations to ensure that the money directly benefits those that need it most and that service provision is measurably improved.**

The additional funding we have made available for adult mental health services in the First Supplementary Budget was allocated to LHBs with requirements as to how that money should be utilised, and the outcomes we expect to be delivered. Local Health Boards are required to report back to us at the end of the financial year to inform us of the tangible outcomes they have achieved through the use of this additional funding. The Minister for Health and Social Services also made a statement on Mental Health Services on 7 October 2015 which provided further details on our Mental Health strategy.

### **Additional education allocations**

**Recommendation 4. The Committee recommend the Minister provide further detail as to how it is intended to fund Schools Challenge Cymru in 2015-16, given that it is an important initiative to improve performance in underperforming secondary schools across Wales.**

Up to £20 million was made available for Schools Challenge Cymru for the second year of the programme, the actual level of support required is determined following the receipt of School Development Plans. As at the First Supplementary Budget, a total of £15.6 million had been provided from our central reserves with the necessary balance to be managed from within the Education and Skills MEG.

**Recommendation 5. The Committee recommends that in future budgets the Minister allocates the full budget for Schools Challenge Cymru at Draft Budget stage to avoid uncertainty around future funding arrangements for the programme.**

Future funding of Schools Challenge Cymru will be set out in our Draft Budget Proposals for 2016-17.

### **Full devolution of business rates**

**Conclusion 2. The Committee requests further details from the Minister as to why the cost to the Welsh Government of the Wales Retail Rate Relief Scheme is not affected by full devolution of business rates in the same way that small business rate relief is. It would be particularly useful for the Committee to understand why the use of a grant scheme means that the cost of the scheme is not directly affected by full devolution of business rates.**

The Wales Retail Relief Scheme operates within the Economy, Science and Transport MEG, providing grant support to Local Authorities to offset the reduction in their business rates revenues arising from applications for the scheme. It does not provide a direct relief through the Non Domestic Rate Pool as, for instance, the Small Business Rates Relief does.

The Wales Retail Relief Scheme is a DEL backed grant scheme to which funds have been allocated from reserves. Although the levels of support provided are linked to overall business rate policy, it is not directly affected by the full devolution of business rates which transferred NDR pool backed expenditure from DEL into AME.

Jane Hutt AC / AM

Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business

Y Pwyllgor Cyllid | Finance Committee  
FIN(4)-01-16 PTN3



Llywodraeth Cymru  
Welsh Government

Jocelyn Davies AC  
Cadeirydd  
Pwyllgor Cyllid  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
CF99 1NA

16 Rhagfyr 2015

Annwyl Jocelyn,

Diolch unwaith eto am roi ystyriaeth i Fil Casglu a Rheoli Trethi (Cymru) yn ystod Cyfnod 1. Rwy'n falch bod egwyddorion cyffredinol y Bil wedi'u cytuno, a hoffwn ddiolch i'ch Pwyllgor am ei argymhellion yn hyn o beth.

Yn ystod y drafodaeth ar yr Egwyddorion Cyffredinol ar 8 Rhagfyr fe wnes gadarnhau y byddwn yn darparu ymateb manwl i adroddiad Cyfnod 1 eich Pwyllgor a'i 29 o argymhellion. Rwyf wedi amlinellu isod fy ymateb i'r argymhellion; mae hyn yn cynnwys manylion ble rwy'n cytuno mae angen cyflwyno gwelliannau i'r Bil. Rwyf eisoes wedi cyflwyno 20 o welliannau gan y Llywodraeth a byddaf yn cyflwyno gwelliannau pellach mewn ail gyfran fis nesaf.

Rwy'n gobeithio y bydd yr wybodaeth sydd ynghlwm yn helpu i lywio'ch gwaith craffu pellach wrth i'r Bil fynd trwy Gyfnod 2.

Rwy'n anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol.

Yn gywir

**Jane Hutt AC / AM**

Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)  
Tudalen y pecyn 13

English Enquiry Line 0845 010 3300  
Llinell Ymholiadau Cymraeg 0845 010 4400  
Correspondence: Jane.Hutt@wales.gsi.gov.uk  
Printed on 100% recycled paper

# Bil Casglu a Rheoli Trethi (Cymru) Cyfnod 1

## Argymhellion Adroddiad y Pwyllgor ac Ymateb Llywodraeth Cymru

### Argymhelliad 2

*Mae'r Pwyllgor yn argymhell bod Llywodraeth Cymru yn ymrwymo i gynnal ymgyrch ehangach i godi ymwybyddiaeth er mwyn annog ymwybyddiaeth gyhoeddus eang o Awdurdod Cyllid Cymru a threthi datganoledig cyn 2018.*

**Derbyn:** Rwyf wedi ymrwymo i ymgysylltu parhaus. Fel y cyhoeddwyd eisoes, byddaf yn cyhoeddi Papur Trysorlys ar drethi Cymru yn gynnar yn y Flwyddyn Newydd. Bydd hyn yn ein helpu i ymgysylltu ymhellach ar ddatganoli trethi, gan gynnwys hysbysu pobl am y cynnydd a wnaed hyd yn hyn a beth a ragwelir yn y dyfodol, a dechrau datblygu elfennau allweddol perthynas adeiladol rhwng y sefydliad newydd, Awdurdod Cyllid Cymru, a threthdalwyr datganoledig. Bydd hyn yn cael ei ffurfioli yn y Siarter safonau a gwerthoedd. Byddwn yn disgwyl i'r Awdurdod Cyllid ddechrau ymgynghori ar Siarter yn fuan ar ôl ei ffurfio fel bod y ddogfen ar waith pan fydd y broses o gasglu trethi'n dechrau. Yn sicr byddwn yn annog yr Awdurdod Cyllid i ystyried cynnwys ymrwymiad yn ei Siarter i ymgysylltu â'i randdeiliaid mewn ffordd gadarnhaol ac adeiladol ar bob mater, gan gynnwys y gwaith o ddatblygu ei weithdrefnau trethi datganoledig, lle bo'n briodol.

Rwyf hefyd am gychwyn arolwg o lefel gyfredol ymwybyddiaeth y cyhoedd o'r cynigion sy'n cael eu datblygu yng nghyswllt trethi datganoledig ac ailedrych ar hyn dros amser.

Bydd angen dechrau ar y gwaith o wella ymwybyddiaeth o'r trethi datganoledig newydd a'r newidiadau o ran eu casglu a'u rheoli ymhell cyn mis Ebrill 2018. Rwy'n ymrwymo i sicrhau y bydd y bobl a fydd yn talu trethi datganoledig Cymru yn gwbl ymwybodol o'r hyn y mae angen iddynt ei wneud o 1 Ebrill 2018 ymlaen.

### Argymhelliad 3

*Mae'r Pwyllgor yn argymhell cryfhau'r Bil er mwyn sicrhau bod Awdurdod Cyllid Cymru yn annibynnol ar Lywodraeth Cymru a dylid darparu'n benodol ar gyfer hyn ar wyneb y Bil.*

Rwy'n gwbl gefnogol o sicrhau bod yr Awdurdod Cyllid yn gallu gweithredu'n annibynnol, ac na fydd gan Weinidogion unrhyw rôl i'w chwarae ym materion trethdalwyr unigol. Fodd bynnag, am y rhesymau isod, credaf fod y Bil yn gwneud darpariaeth i sicrhau bod yr Awdurdod yn gallu gweithredu'n annibynnol. Rwyf, wrth gwrs, yn barod i drafod y pwynt hwn ymhellach ac, yn y cyd-destun hwnnw, rwyf yn cadw mewn cof adran 7 o Ddeddf Cyllid yr Alban a Phwerau Trethu 2015 (y byddwch yn gyfarwydd â hi o'n sesiynau craffu).

Mae ein dull gweithredu a'n cynigion ar gyfer yr Awdurdod Cyllid yn gyson â Chyllid a Thollau Ei Mawrhydi a Revenue Scotland mewn nifer o feysydd allweddol:

- maent oll yn gweithredu'n gwbl annibynnol er mwyn sicrhau nad yw Gweinidogion yn cael eu cysylltu â gwaith rheoli materion trethdalwyr o ddydd i ddydd.
- maent oll yn adrannau anweinidogol ac yn cael eu staffio gan weision sifil;
- mae ganddynt oll bwerau cyfreithiol a chyfrifoldebau helaeth wedi'u breinio ynddynt (yn y Comisiynwyr yn achos Cyllid a Thollau Ei Mawrhydi) ac maent yn gyfrifol am arfer y pwerau hynny yn unol â'r gyfraith;
- maent oll yn cyflwyno polisi treth a bennwyd gan Weinidogion;

- mae Gweinidogion yn penodi aelodau anweithredol eu Byrddau (mae comisiynwyr Cyllid a Thollau Ei Mawrhydi'n cael eu penodi drwy freinlythyrau, ond gallant ymddiswyddo drwy hysbysiad ysgrifenedig i'r Trysorlys); ac
- maent oll yn atebol i Dribiwnlysoedd a Llysoedd am y ffordd y maent yn arfer eu pwerau.

Mae casglu trethi yn un o swyddogaethau'r llywodraeth gan fod derbyniadau treth yn ariannu gwasanaethau cyhoeddus. Bydd angen i'r Awdurdod Cyllid, fel Cyllid a Thollau Ei Mawrhydi a Revenue Scotland, gasglu trethi o fewn y polisiau trethi a'r blaenoriaethau a bennwyd gan Weinidogion. Mae angen i Weinidogion Cymru allu rhoi cyfarwyddyd strategol i'r Awdurdod Cyllid ar flaenoriaethau polisi trethi datganoledig; er enghraifft, ar y pwyslais y dylid ei roi ar waith cydymffurfio â threthi ac osgoi trethi. I'r perwyl hwn, mae adran 14 o'r Bil yn caniatáu i Weinidogion Cymru roi cyfarwyddiadau cyffredinol (yn yr un modd ag y mae'r Trysorlys yn cael rhoi cyfarwyddiadau cyffredinol i Gyllid a Thollau Ei Mawrhydi). Fodd bynnag, yn bwysig, nid yw'r pŵer hwn yn caniatáu i Weinidogion Cymru roi unrhyw gyfarwyddyd penodol i'r Awdurdod Cyllid o ran sut y dylai wneud penderfyniadau yn achosion drethdalwyr unigol. Pe bai Gweinidogion Cymru yn ceisio rhoi cyfarwyddiadau o'r fath, byddai hynny'n amlwg yn anghyfreithlon.

Mae Rhan 8 o'r Bil yn rhoi hawliau adolygu ac apelio cynhwysfawr i drethdalwyr, gan eu galluogi i ddwyn yr Awdurdod Cyllid i gyfrif am ei benderfyniadau. Felly, gall unrhyw awgrym gan drethdalwr fod yr Awdurdod Cyllid wedi cael ei ddylanwadu'n ormodol gan Weinidogion Cymru fod yn ddarostyngedig i graffu barnwrol manwl. Mae Rhan 8 o'r Bil yn rhoi pwerau eang i'r tribiwnlysoedd gadarnhau, amrywio neu ddileu penderfyniadau'r Awdurdod Cyllid.

Hefyd, mae adran 19 o'r Bil yn creu trosedd mewn cysylltiad â datgelu gwybodaeth warchoddedig am drethdalwr yn anghyfreithlon. Mae hwn yn gam diogelu hanfodol i drethdalwyr, sy'n atal swyddogion yr Awdurdod Cyllid rhag rhannu gwybodaeth gyfrinachol am drethdalwyr unigol gyda Gweinidogion ac eraill.

Fel y dywedwyd yn flaenorol, rwyf wedi pwyso a mesur sylwadau'r Pwyllgor ynghylch unrhyw gyfarwyddiadau cyffredinol y gallai Gweinidogion eu rhoi o dan adran 14. Ar hyn o bryd, mae adran 14 o'r Bil yn ei gwneud yn ofynnol i Weinidogion Cymru gyhoeddi unrhyw gyfarwyddiadau a roddir i'r Awdurdod Cyllid oni bai eu bod yn ystyried y byddai eu cyhoeddi yn tanseilio gallu'r Awdurdod i gyflawni ei swyddogaethau'n effeithiol. Mae'r Pwyllgor eisoes wedi mynegi pryderon am y cafeat ynghylch peidio â chyhoeddi ac felly cyflwynais welliant 2 ar 9 Rhagfyr, i'w ddileu. Os caiff ei gytuno, bydd y Bil yn ei gwneud yn ofynnol bod pob cyfarwyddyd a roddir gan Weinidogion Cymru yn cael ei gyhoeddi. Bydd hyn yn darparu tryloywder llwyr ac yn galluogi eraill i graffu ar unrhyw gyfarwyddiadau a'r rhesymau dros eu gwneud.

Mae hwn yn amlwg yn bwynt pwysig i ni i gyd ac mae'n hollbwysig ein bod yn ei gael yn iawn. Byddwn yn hapus i'w drafod ymhellach gyda'r Pwyllgor.

#### **Argymhelliad 4**

*Mae'r Pwyllgor yn argymhell y dylai adran 3(1)(d) o'r Bil gael ei diwygio i sicrhau bod yr aelodau o staff a benodir i'r bwrdd yn cael eu gwneud drwy broses o enwebu gan y Prif Weithredwr i ddechrau ac yna drwy gynnal pleidlais staff pan fydd lleoedd gwag yn codi yn y dyfodol.*

**Derbyn:** Rwy'n hapus i ystyried cyflwyno gwelliannau a fyddai'n darparu aelod gweithredol ychwanegol o'r Awdurdod i gynrychioli staff ac i benodiad o'r fath gael ei wneud drwy bleidlais staff.

Bydd y gwelliannau hefyd yn addasu'r broses a ddilynir i'r aelodau gweithredol eraill o'r Awdurdod Cyllid ddod yn aelodau o'r Bwrdd. Felly, yn hytrach na bod yr Awdurdod Cyllid yn gwneud enwebiad, bydd y Prif Weithredwr yn gwneud argymhelliad a bydd aelodau anweithredol yr Awdurdod Cyllid y penodi yn unol â hynny (neu'n gofyn am argymhelliad gwahanol).

### Argymhelliad 5

*Mae'r Pwyllgor yn argymhell y dylai'r Bil gynnwys mwy o fanylion am y cyfnod penodi ar gyfer aelodau anweithredol a byddai'n argymhell y model a bennwyd yn Neddf Archwilio Cyhoeddus (Cymru) 2013 fel enghraifft dda, ond dylai penodiadau anweithredol fod am gyfnod o ddim mwy na phedair blynedd ac ni ellir penodi person fwy na dwywaith.*

**Derbyn yn rhannol:** Rwy'n ymrwymedig i weithredu'n agored a thryloyw wrth benodi ac wedi dweud o'r blaen y bydd egwyddorion Nolan yn berthnasol i bob penodiad anweithredol. Ymhellach, bydd telerau ac amodau'r rolau hyn yn cael eu hysbysebu'n gyhoeddus. Rwy'n derbyn argymhelliad y Pwyllgor yn rhannol a byddaf yn cyflwyno diwygiad sy'n diffinio'r cyfnod penodi ac uchafswm y cyfnod gwasanaethu.

### Argymhelliad 6

*Mae'r Pwyllgor yn argymhell y dylai'r darpariaethau yn Rhan 2 mewn perthynas â'r cadeirydd a'r dirprwy gadeirydd fod yn gyson oni bai bod rheswm dilys dros gael darpariaethau gwahanol.*

Mae'r darpariaethau sy'n ymwneud â'r Dirprwy Gadeirydd a'r Cadeirydd yn wahanol o reidrwydd. Mae'r darpariaethau ar gyfer Dirprwy Gadeirydd yn adlewyrchu'r ffaith bod penodiad o'r fath yn ychwanegol at benodi aelod anweithredol. Yn wahanol i'r Cadeirydd, gallai'r Dirprwy Gadeirydd barhau yn rôl yr aelod anweithredol er nad yw'n gweithredu fel Dirprwy Gadeirydd mwyach.

Mae hyn yn golygu bod darpariaethau wedi eu gwneud ar gyfer Dirprwy Gadeirydd nad oes eu hangen ar gyfer Cadeirydd (h.y. i'r perwyl fod person yn gallu ymddiswyddo fel aelod anweithredol *neu* Ddirprwy Gadeirydd (a. 5(3)) ac na fydd person yn Ddirprwy Gadeirydd mwyach pan fydd ef/hi yn rhoi'r gorau i fod yn aelod anweithredol (a. 6(2)). Mae hyn oherwydd bod y cadeirydd yn aelod anweithredol *yn unig*, tra bo'r Dirprwy gadeirydd yn aelod anweithredol ac yn Ddirprwy Gadeirydd.

O dan yr amgylchiadau, nid yw'r darpariaethau fel y'u drafftwyd yn gofyn am unrhyw welliant.

### Argymhelliad 7

*Mae'r Pwyllgor yn argymhell y dylid diwygio adran 8(4) sy'n gwneud darpariaeth i Brif Weithredwr "gael eu penodi gan ACC" (yn dilyn y penodiad cyntaf gan Weinidogion Cymru) er mwyn sicrhau mai'r aelodau anweithredol sy'n gwneud y penderfyniad terfynol ar benodi (yn hytrach na chyflogeion sy'n aelodau o'r Bwrdd).*

**Derbyn:** Byddaf yn dwyn ymlaen diwygiad i adran 8(4) yng Nghyfnod 2 fel y bydd penodiadau Prif Weithredwr (ar ôl y penodiad cyntaf gan Weinidogion Cymru) yn cael eu gwneud gan aelodau anweithredol Bwrdd Awdurdod Cyllid Cymru yn hytrach na holl Fwrdd yr Awdurdod.

## Argymhelliad 8

*Mae'r Pwyllgor yn argymhell diwygio'r Bil i sicrhau bod cworwm y Bwrdd yn rhagnodi mwyafrif o aelodau anweithredol.*

**Derbyn:** Rwyf am i Fwrdd Awdurdod Cyllid Cymru gael mwyafrif o aelodau anweithredol bob amser. Byddaf yn dwyn ymlaen gwelliant yng Nghyfnod 2 i gynnwys darpariaethau a fydd yn ei gwneud yn ofynnol i'r Awdurdod Cyllid lunio rheolau ynghylch cworwm a bod y rheolau hynny'n nodi bod angen i fwyafrif yr aelodau sy'n bresennol mewn cyfarfod o Fwrdd yr Awdurdod Cyllid fod yn aelodau anweithredol er mwyn cael cworwm.

Mae gwelliant 1, a gyflwynwyd ar 9 Rhagfyr, yn sicrhau pe bai Gweinidogion Cymru'n defnyddio eu pŵer i wneud rheoliadau i ddiwygio nifer yr aelodau ar Fwrdd yr Awdurdod Cyllid, mai dim ond mewn ffordd sy'n cadw mwyafrif anweithredol y gallent wneud hynny.

## Argymhelliad 9

*Mae'r Pwyllgor yn argymhell y dylai o leiaf un aelod anweithredol fod yn aelod o bob pwyllgor/is-bwyllgor, oni bai ei fod yn bwyllgor/is-bwyllgor nad yw'n gwneud penderfyniadau.*

**Derbyn:** Mae cyfraniad aelodau anweithredol at waith yr Awdurdod yn hanfodol ac rwy'n gwerthfawrogi'r pwynt a wneir yn yr argymhelliad hwn.

Rwy'n bwriadu dwyn ymlaen gwelliannau yn nodi, pan fo'r Awdurdod Cyllid yn awdurdodi un o'i bwyllgorau neu un o is-bwyllgorau pwyllgor o'r fath i gyflawni unrhyw un o'i ddyletswyddau o dan adran 12(b) o'r Bil Casglu a Rheoli Trethi, bod rhaid i'r pwyllgor neu'r is-bwyllgor y mae'n rhoi awdurdod iddo at y diben hwnnw gynnwys o leiaf un aelod anweithredol.

## Argymhelliad 10

*Mae'r Pwyllgor yn argymhell y dylai Awdurdod Cyllid Cymru baratoi cynllun cyhoeddi ac y dylai'r holl benderfyniadau a wneir gan bwyllgorau/is-bwyllgorau Awdurdod Cyllid Cymru fod ar gael yn gyhoeddus. Os oes rheswm dilys dros beidio â chyhoeddi penderfyniad, dylai'r rhesymau dros hyn fod ar gael yn gyhoeddus yn unol â'r cynllun cyhoeddi.*

**Derbyn:** Rwy'n cytuno bod hyn yn arfer da. Fel awdurdod cyhoeddus, bydd angen i'r Awdurdod Cyllid gydymffurfio â rhwymedigaethau perthnasol o dan y Ddeddf Rhyddid Gwybodaeth. Felly, byddwn yn disgwyl i Awdurdod Cyllid Cymru:

- gyhoeddi'r dosbarthiadau o wybodaeth y bydd yn eu darparu,
- dweud wrth bobl sut i gael gafael ar wybodaeth o'r fath.

Wrth ffurfio'r trefniant ar gyfer cynllun o'r fath bydd angen i'r Awdurdod ystyried sut y bydd yn diogelu gwybodaeth am drethdalwyr unigol.

## Argymhelliad 11

*Mae'r Pwyllgor yn argymhell y dylai Nodiadau Effaith a Gwybodaeth Treth (neu ddogfennau cyfatebol) gael eu cyflwyno ar gyfer pob amrywiad sylweddol i drethi datganoledig. Lle y bo'n briodol dylai Llywodraeth Cymru sicrhau bod y nodiadau hyn yn cael eu paratoi ochr yn ochr â'r cyhoeddiadau cyllideb. Dylai'r nodiadau hyn gael eu hadolygu gan Awdurdod Cyllid Cymru bob tair blynedd o leiaf a bod yn destun proses graffu gan un o Bwyllgorau'r Cynulliad cyn cytuno ar gyllideb Awdurdod Cyllid Cymru.*

**Derbyn mewn egwyddor:** pan gynigir deddfwriaeth trethi newydd, bydd asesiadau penodol o effaith yn cael eu cwblhau, er enghraifft, mewn perthynas â chydaddoldeb a grwpiau gwarchodedig a hawliau'r plentyn. Bydd hyn yn wir am y Dreth Trafodiadau Tir a'r Dreth Gwarediadau Tirlenwi arfaethedig ac unrhyw drethi eraill a allai gael eu datganoli i Gymru yn y dyfodol. Bydd Asesiad Effaith Rheoleiddiol o bob bil yn cynnwys amserlen ar gyfer adolygu pellach.

Rwy'n ystyried y byddai'n arfer da yn y dyfodol i ystyried cyhoeddi gwybodaeth am unrhyw amrywiadau sylweddol i'r trethi datganoledig, yn enwedig pan fo newidiadau'n cael eu gwneud ochr yn ochr ag ystyriaethau cyllidebol ehangach.

Mae'n amlwg nad oes rôl i Awdurdod Cyllid Cymru yn syth yma, ond ar ôl iddo gael ei sefydlu ac os oes newidiadau sylweddol yn cael eu cyflwyno i bolisi trethi byddwn yn disgwyl i'r Awdurdod fod â rôl bwysig o ran cyfrannu at y gwaith o ystyried polisi trethi, yn cynnwys materion gweithredu ymarferol. Yn wir, un o swyddogaethau'r Awdurdod yn sgil y Bil hwn fydd darparu gwybodaeth, cymorth a chyngor i Weinidogion Cymru, (adran 11 (2) (b)).

Bydd y berthynas rhwng Llywodraeth Cymru ac Awdurdod Cyllid Cymru'n cael ei hegluro mewn memorandwm cyd-ddealltwriaeth a fydd yn egluro rolau'r ddau mewn perthynas ag ystyriaethau polisi trethi yn y dyfodol yn cynnwys asesiadau.

Llywodraeth Cymru ac Awdurdod Cyllid Cymru fydd yn trafod y gyllideb a bydd y trafodaethau hyn yn ystyried blaenoriaethau polisi treth Gweinidogion a pherfformiad.

## **Argymhelliad 12**

*Mae'r Pwyllgor yn argymhell y dylai adran 12 gael ei diwygio i egluro bod rhai swyddogaethau pwysig (fel cymeradwyo'r Cynllun Corfforaethol, yr Adroddiad Blynyddol, y Cyfrifon blynyddol a'r Datganiad Treth blynyddol) yn cael eu neilltuo fel cyfrifoldeb Awdurdod Cyllid Cymru ac na ddylid eu dirprwyo i'r staff.*

**Derbyn:** Rwy'n bwriadu cyflwyno gwelliant sy'n mabwysiadu argymhelliad y Pwyllgor, er mwyn sicrhau bod Bwrdd yr Awdurdod yn cadw'r cyfrifoldeb am baratoi'r cynllun corfforaethol, yr adroddiad blynyddol, y cyfrifon blynyddol a'r datganiad trethi.

## **Argymhelliad 13**

*Mae'r Pwyllgor yn argymhell bod llinellau atebolrwydd clir yn cael eu sefydlu, drwy femorandwm cyd-ddealltwriaeth neu gytundeb lefel gwasanaeth sydd ar gael i'r cyhoedd, rhwng Awdurdod Cyllid Cymru a'r cyrff dirprwyedig sy'n gyfrifol am gasglu a rheoli trethi. Dylai'r memorandwm cyd-ddealltwriaeth neu'r cytundeb lefel gwasanaeth nodi safonau clir ar gyfer ymdrin â threthdalwyr.*

**Derbyn:** Rwy'n derbyn y bydd hi'n bwysig gallu darparu gwybodaeth i'r cyhoedd am unrhyw drefniadau dirprwyo ac mae'r Bil eisoes yn darparu ar gyfer hyn. Mae Adran 13 o'r Bil yn darparu ar gyfer dirprwyo swyddogaethau Awdurdod Cyllid Cymru ac mae adran 13 (4) yn ei gwneud yn ofynnol i'r Awdurdod gyhoeddi gwybodaeth am ddirprwyiadau neu unrhyw gyfarwyddiadau a wneir o dan yr adran honno.

Mae'n werth nodi hefyd y bydd angen i Siarter Awdurdod Cyllid Cymru gynnwys safonau ymddygiad a gwerthoedd ac y bydd y Siarter yr un mor berthnasol i'r Awdurdod ac unrhyw gorff arall sy'n cyflawni swyddogaethau ar ei ran.

## Argymhelliad 14

*Mae'r Pwyllgor yn argymhell, lle mae Awdurdod Refeniw Cymru yn dirprwyo unrhyw rai o'i swyddogaethau i sefydliad/sefydliadau, y dylid ystyried sicrhau bod y sefydliad/sefydliadau'n darparu lefel uchel o arbenigedd i drethdalwyr Cymru, gan gynnwys ystyried darpariaethau cyfrwng Gymraeg a nodi darpariaethau ar gyfer siaradwyr Cymraeg mewn Datganiad o Safonau Gwasanaeth.*

**Derbyn:** Mae safonau gwasanaeth a mynediad i arbenigedd trethi a darpariaeth Gymraeg yn ystyriaethau pwysig yn y trafodaethau parhaus rydym yn eu cynnal gyda Chyllid a Thollau Ei Mawrhydi a Cyfoeth Naturiol Cymru.

Bydd Mesur y Gymraeg (Cymru) 2011 yn berthnasol yn awtomatig i Awdurdod Cyllid Cymru. Bydd angen i'r Awdurdod gael ei safonau Cymraeg ei hun, gan gytuno arnynt gyda Chomisiynydd y Gymraeg. Bydd safonau o'r fath yr un mor berthnasol i'r Awdurdod ac unrhyw un sy'n cyflawni swyddogaethau dirprwyedig ar ei ran. Gall yr Awdurdod ddirprwyo ei swyddogaethau, ond bydd yn dal i fod yn gyfrifol am gyflawni ei swyddogaethau a'i ddyletswyddau yn effeithiol ac effeithlon.

## Argymhelliad 15

*Mae'r Pwyllgor yn argymhell bod y Bil yn cael ei ddiwygio i atal Llywodraeth Cymru rhag ymyrryd ag Awdurdod Cyllid Cymru o ran arfer ei swyddogaethau gweithredol.*

Am y rheswm a roddwyd uchod, yn fy ymateb i argymhelliad 3, rwyf o'r farn fod y Bil eisoes yn sicrhau bod Awdurdod Cyllid Cymru yn gallu gweithredu'n annibynnol a'i fod yn darparu amddiffyniad helaeth i drethdalwyr unigol yn erbyn ymyrraeth gan Weinidogion Cymru.

## Argymhelliad 16

*Mae'r Pwyllgor yn argymhell bod yn rhaid i'r Siarter gyfeirio'n benodol at:*

– wasanaeth o ansawdd i'r trethdalwr;

– ei pherthnasedd i gyrff datganoledig sydd â chyfrifoldeb am gasglu a rheoli trethi.

**Derbyn:** fel y soniwyd o'r blaen o dan argymhelliad 2, rwy'n bwriadu ymgysylltu ar hyn yn y Flwyddyn Newydd. Bydd hyn yn cynnwys ystyried sut ddylai Siarter gyfeirio at ddarparu gwasanaeth o safon.

Gall Awdurdod Cyllid Cymru ddirprwyo ei swyddogaethau, ond bydd yn dal i fod yn gyfrifol am gyflawni ei swyddogaethau'n effeithiol ac effeithlon. Felly, bydd safonau gwasanaeth yr un mor berthnasol i'r Awdurdod ac unrhyw un sy'n cyflawni swyddogaethau dirprwyedig ar ei ran.

## Argymhelliad 17

*Mae'r Pwyllgor yn argymhell y dylai'r Siarter gyntaf gael ei chyhoeddi cyn bod y trethi perthnasol yn cael eu datganoli'n ffurfiol i Gymru ym mis Ebrill 2018.*

**Derbyn:** bydd yn hanfodol i'r Siarter fod ar waith erbyn i'r gwaith o gasglu trethi ddechrau. Awdurdod Cyllid Cymru fydd yn gyfrifol am y Siarter, ond byddwn yn disgwyl i'r Awdurdod ymgynghori ar y ddogfen arfaethedig yn y cyfnod hyd at 2018 ac i greu fersiwn derfynol ohoni a'i chyhoeddi fel ei bod ar waith erbyn i'r gwaith o gasglu trethi datganoledig ddechrau.

## Argymhelliad 18

*Mae'r Pwyllgor yn argymhell bod y Bil yn cael ei ddiwygio fel bod:*

- *adran 25(2)(a) yn rhoi'r geiriau "glynu wrth" yn lle'r gair "ymgyrraedd";*
- *y gofyniad o dan adran 25(3)(b) i adolygu'r Siarter "o bryd i'w gilydd" yn cynnwys y ddarpariaeth ar gyfer adolygiad o leiaf bob pum mlynedd.*

**Derbyn:** mae gwelliannau 3, 4, 5, 8 a 9 a gyflwynwyd ar 9 Rhagfyr yn newid geiriad y ddarpariaeth ar gyfer Siarter fel y bydd disgwyl i Awdurdod Cyllid Cymru gydymffurfio â safonau ymddygiad a gwerthoedd wrth ymdrin â threthdalwyr a'u hasiantiaid.

Mae gwelliannau 6 a 7 yn ei gwneud yn ofynnol bod yr Awdurdod Cyllid yn adolygu'r Siarter o leiaf unwaith yn ystod y cyfnod o 5 mlynedd sy'n dechrau ar y diwrnod y cyhoeddir y Siarter, ac o leiaf unwaith yn y cyfnod o 5 mlynedd yn dilyn adolygiad ar ôl hynny.

## Argymhelliad 19

*Mae'r Pwyllgor yn argymhell diwygio adran 26(2) i sicrhau bod y Cynllun Corfforaethol yn cynnwys mesurau perfformiad allweddol.*

Rwy'n cytuno bod mesur perfformiad yn hanfodol ac y dylai'r ffordd o wneud hyn fod yn gyhoeddus. Mae adran 26(2)(b) o'r Bil yn ei gwneud yn ofynnol i Awdurdod Cyllid Cymru lunio cynllun corfforaethol ac mae'n rhaid iddo nodi'r canlyniadau ar gyfer mesur cyflawniad yn erbyn y prif ganlyniadau. Ni fyddaf yn cynnig gwelliant gan ei bod eisoes yn ofynnol i fesur perfformiad fod yn y cynllun corfforaethol.

## Argymhelliad 20

*Mae'r Pwyllgor yn argymhell y dylai adran 27 o'r Bil nodi y dylai'r Adroddiad Blynyddol gael ei gyhoeddi heb fod yn hwyrach na 31 Awst i sicrhau bod yr Adroddiad Blynyddol a Chyfrifon ar gael o fewn cyfnod amser penodol i sicrhau atebolrwydd, tryloywder a chraffu effeithiol ar weithrediadau Awdurdod Cyllid Cymru.*

**Derbyn mewn egwyddor:** Rwy'n fodlon edrych eto ar amseriad paratoi, adrodd a chyhoeddi'r Adroddiad Blynyddol. Wrth wneud hynny, byddaf yn ystyried y cysylltiad rhwng amseriad cyhoeddi'r Adroddiad Blynyddol ac amseriad cyhoeddi cyfrifon blynyddol a Datganiad Treth terfynol yr Awdurdod.

## Argymhelliad 21

*Mae'r Pwyllgor yn argymhell bod y Bil yn cynnwys darpariaeth sy'n galluogi'r Cynulliad Cenedlaethol i awdurdodi Pwyllgor i graffu ar Awdurdod Cyllid Cymru.*

Yn fy llythyr at y Pwyllgor ar 4 Tachwedd cyfeiriais at adran 37 o Ddeddf Llywodraeth Cymru 2006. Tynnais sylw at hyn gan fod yr adran yn cyflwyno pwerau eang i'r Cynulliad i'w gwneud yn ofynnol i berson fynychu i roi tystiolaeth neu gynhyrchu dogfennau. Gall y pwerau hyn gael eu defnyddio gan y Pwyllgor Archwilio neu bwyllgor arall tebyg a awdurdodir gan y Cynulliad. Mae Rheolau Sefydlog yn ei gwneud yn ofynnol bod pob un o feysydd y Llywodraeth a chyrrff cyhoeddus cysylltiedig yn ddarostyngedig i graffu gan bwyllgor. Y Llywodraeth ac Awdurdod Cyllid Cymru fydd yn gyfrifol am y trethi datganoledig, felly mae'n rhaid i'r Pwyllgor Busnes sicrhau bod y maes hwn yn ddarostyngedig i graffu gan bwyllgor.

Soniais hefyd bod y Bil yn cynnwys sawl mesur sy'n ei gwneud yn ofynnol bod y Cynulliad yn cael gwybodaeth i'w helpu i graffu ar Awdurdod Cyllid Cymru. Gyda'i gilydd, bydd y darpariaethau hyn yn galluogi'r Cynulliad i graffu ar yr Awdurdod, yn annibynnol ar Weinidogion Cymru, ond nid yw'r Bil yn nodi sut ddylai'r Cynulliad graffu ar yr Awdurdod. Y Cynulliad sydd i benderfynu ar drefniadau megis pa Bwyllgor ddylai graffu, nid mater i Lywodraeth Cymru ei bennu mewn deddfwriaeth yw hyn. Mae hyn yn cyd-fynd â Deddfau eraill y Cynulliad, fel Deddf Archwilio Cyhoeddus (Cymru) 2013. Er bod y Ddeddf honno'n amlinellu swyddogaethau penodol ar gyfer y Cynulliad, megis penodi aelodau anweithredol i Swyddfa Archwilio Cymru, ac yn gwneud darpariaeth i'r Cynulliad allu dirprwyo'r swyddogaethau hyn i Bwyllgor o'i ddewis, ymhlith pethau eraill, nid yw'n cynnwys unrhyw ddarpariaethau sy'n ymwneud â chraffu cyffredinol ar Swyddfa Archwilio Cymru gan y Cynulliad, y tu hwnt i'r gofyniad i gyflwyno dogfennau penodol ger ei fron.

### Argymhelliad 22

*Mae'r Pwyllgor yn argymhell diwygio adran 30(3) er mwyn sicrhau bod geiriad y ddarpariaeth archwilio yn y Bil yn gyson â'r ddarpariaeth archwilio ar gyfer cyfrifon Gweinidogion Cymru fel y'i nodir yn adran 131 o Ddeddf Llywodraeth Cymru 2006.*

**Derbyn:** Rwy'n nodi'r gwahaniaeth rhwng geiriad Deddf Llywodraeth Cymru a geiriad y Bil a byddaf yn ystyried cyflwyno gwelliant yng Ngham 2, fel yr argymhellwyd.

### Argymhelliad 23

*Mae'r Pwyllgor yn argymhell y dylai adran 32(3)(a) ynglŷn â chyfrifoldebau'r Swyddog Cyfrifyddu mewn perthynas â llofnodi'r cyfrifon gyfeirio'n benodol at y cyfrifon blynyddol a'r Datganiad Treth blynyddol.*

**Derbyn:** Rwyf wedi cyflwyno gwelliant 11 sy'n diwygio adran 32(3)(a) i gynnwys cyfrifoldebau mewn perthynas â llofnodi cyfrifon a Datganiad Treth Awdurdod Cyllid Cymru.

### Argymhelliad 24

*Mae'r Pwyllgor yn argymhell bod Awdurdod Cyllid Cymru yn cyhoeddi Datganiad o Ymarfer fesul treth i sicrhau hyblygrwydd yn achos trethi unigol wrth ddarparu sicrwydd ynghylch amserlenni i ddefnyddwyr gwasanaethau.*

**Derbyn:** Bydd hyn yn fater i Awdurdod Cyllid Cymru. Fodd bynnag, rwy'n cytuno bod Datganiad o Ymarfer fesul treth yn arfer da y dylai'r Awdurdod geisio ei ddilyn.

### Argymhelliad 25

*Mae'r Pwyllgor yn argymhell bod y Gweinidog yn adolygu'r sefyllfa mewn perthynas â rôl Ombwdsmon Gwasanaethau Cyhoeddus Cymru wrth ymdrin â chwynion yn erbyn Awdurdod Cyllid Cymru ac mewn perthynas â threfniadau tribiwnlys ar gyfer casglu a rheoli trethi datganoledig ac yn cyflwyno gwelliannau os bydd hynny'n briodol.*

**Derbyn:** Rwy'n nodi barn y Pwyllgor ar y mater hwn ac yn fodlon adolygu'r mater sydd wedi'i godi.

### Argymhelliad 26

*Mae'r Pwyllgor yn argymhell y dylai'r diffiniad o wobrau gael ei egluro ar wyneb y Bil.*

Mae'r ddarpariaeth yn adran 23 yn gyson â'r hyn a welir yn neddfwriaeth y DU a'r Alban. Er mwyn egluro'r ddarpariaeth hon ymhellach, byddaf yn darparu rhagor o fanylion yn y nodyn esboniadol sy'n gysylltiedig â'r ddarpariaeth. Bydd y nodyn yn ei gwneud yn glir fod y ddarpariaeth yn nodi y gall yr Awdurdod Cyllid dalu gwobr i rywun am wasanaeth sy'n ymwneud ag unrhyw un o'i swyddogaethau, er enghraifft, am wybodaeth sy'n arwain at gasglu treth oedd heb ei ddatgan; ac y byddwn yn disgwyl y byddai unrhyw drefniadau a gyflwynir gan Awdurdod Cyllid Cymru fel a ganlyn:

- *yn ddewisol;*
- *yn daladwy fel canlyniad yn unig i'r hyn a gyflawnir fel canlyniad uniongyrchol o wybodaeth a ddarparwyd;*
- *yn cael eu pennu drwy ystyried ffactorau fel: treth sy'n cael ei hadennill; atal colli refeniw; manteision eraill y gellir eu mesur, fel lleihau amser/costau sy'n gysylltiedig â chydymffurfio.*

### **Argymhelliad 27**

*Mae'r Pwyllgor yn argymhell bod y Bil yn cael ei ddiwygio i sicrhau na chaniateir i Awdurdod Cyllid Cymru drin gwobrau fel didyniad o'r symiau a delir i mewn i Gronfa Gyfunol Cymru.*

Gallaf sicrhau'r Pwyllgor nad yw darpariaeth adran 24 yn cynnwys 'gwobrau' ac felly nid yw'n darparu ar gyfer didynnu unrhyw wariant o'r fath o'r symiau a delir i Gronfa Gyfunol Cymru.

### **Argymhelliad 28 ac Argymhelliad 29**

*Mae'r Pwyllgor yn argymhell y dylid rhoi darpariaeth a fyddai'n trin Awdurdod Cyllid Cymru fel "person perthnasol" ychwanegol yn adran 124 o Ddeddf Llywodraeth Cymru 2006 yn lle adran 22 o'r Bil. Mae'r Pwyllgor yn annog Llywodraeth Cymru i gael caniatâd yr Ysgrifennydd Gwladol i sicrhau os bydd diwygiad i adran 124 o Ddeddf Llywodraeth Cymru 2006 yn cael ei gytuno gan y Cynulliad Cenedlaethol, y byddai'r Bil yn gallu cael ei basio yng Nghyfnod 4.*

*Os nad yw'n bosibl cael caniatâd yr Ysgrifennydd Gwladol i ddiwygio adran 124 o Ddeddf Llywodraeth Cymru 2006, mae'r Pwyllgor yn argymhell bod cyllideb Awdurdod Cyllid Cymru yn cael ei nodi ar wahân a'i neilltuo yng nghynnig blynyddol cyllideb Llywodraeth Cymru.*

Bydd Awdurdod Cyllid Cymru'n cyflawni swyddogaeth Llywodraeth ac felly mae'n briodol iddo dderbyn ei gyllid drwy broses gyllideb Llywodraeth Cymru. Bydd gan Weinidogion Cymru gyfrifoldeb am gyllideb yr Awdurdod mewn ffordd debyg i Drysorlys Ei Mawrhydi a chyllideb Cyllid a Thollau Ei Mawrhydi a Llywodraeth yr Alban a chyllideb Revenue Scotland.

Rwy'n cydnabod, fodd bynnag, ei bod hi'n hanfodol bod cyllideb Awdurdod Cyllid Cymru yn dryloyw. Rwy'n ystyried ei bod hi'n bosibl sicrhau tryloywder o'r fath drwy gynnwys digon o fanylion o fewn Prif Grŵp Gwariant cyfredol Llywodraeth Cymru – yr un sy'n ymwneud â Gwasanaethau Canolog o bosibl. Mae gan y Cynulliad oruchwyliaeth lawn dros broses y gyllideb a gall bleidleisio arni.

Rwyf wedi gwneud darpariaeth hefyd i Awdurdod Cyllid Cymru fod yn dryloyw o ran y ffordd mae'n defnyddio ei gyllideb. Mae adran 28 o'r Bil yn nodi y byddwn yn ofynnol i'r Awdurdod baratoi

cyfrifon y bydd Archwilydd Cyffredinol Cymru'n adrodd arnynt cyn eu cyflwyno gerbron y Cynulliad. Mae adran 29 yn ei gwneud yn ofynnol i'r Awdurdod baratoi Datganiad Treth o'r swm o arian a gasglwyd ganddo yn ystod blwyddyn ariannol a bydd hwn hefyd yn cael ei gyflwyno gerbron y Cynulliad.

## Pwyllgor Materion Cyfansoddiadol a Deddfwriaethol (CLAC)

### Argymhellion

*Mae CLAC yn argymhell y dylai'r Gweinidog gyflwyno gwelliant i adrannau 3, 4, 26 a 186 o'r Bil*

*Ar hyn o bryd, mae'r pwerau hyn yn destun gweithdrefn negyddol, ond mae CLAC yn argymhell y dylent fod yn destun y weithdrefn gadarnhaol, gan fod deddfwriaeth sylfaenol yn cael ei diwygio.*

Rwyf wedi nodi barn y Pwyllgor ar y mater ehangach yn ymwneud â'r weithdrefn negyddol neu gadarnhaol. Rwyf yn nodi hefyd bod y Prif Weinidog wedi ysgrifennu at y Pwyllgor ynghylch y mater hwn. Yn y llythyr hwnnw mae'n egluro bod y dewis rhwng y weithdrefn negyddol a chadarnhaol yn cael ei ystyried yn ôl teilyngdod pob achos, ac yn y pen draw ar sail nifer o ffactorau, yn cynnwys natur y pŵer, ei gwmpas tebygol, ac amgylchiadau defnyddio'r pŵer.

O ystyried cwmpas ac amgylchiadau posibl defnyddio'r pwerau yn adrannau 3, 4, 26 a 186, rwyf o'r farn fod y weithdrefn negyddol yn briodol.

# National Assembly Finance Committee

Welsh Government Draft Budget  
2016-17

7<sup>th</sup> January 2016



WLGA • CLILC

## Summary

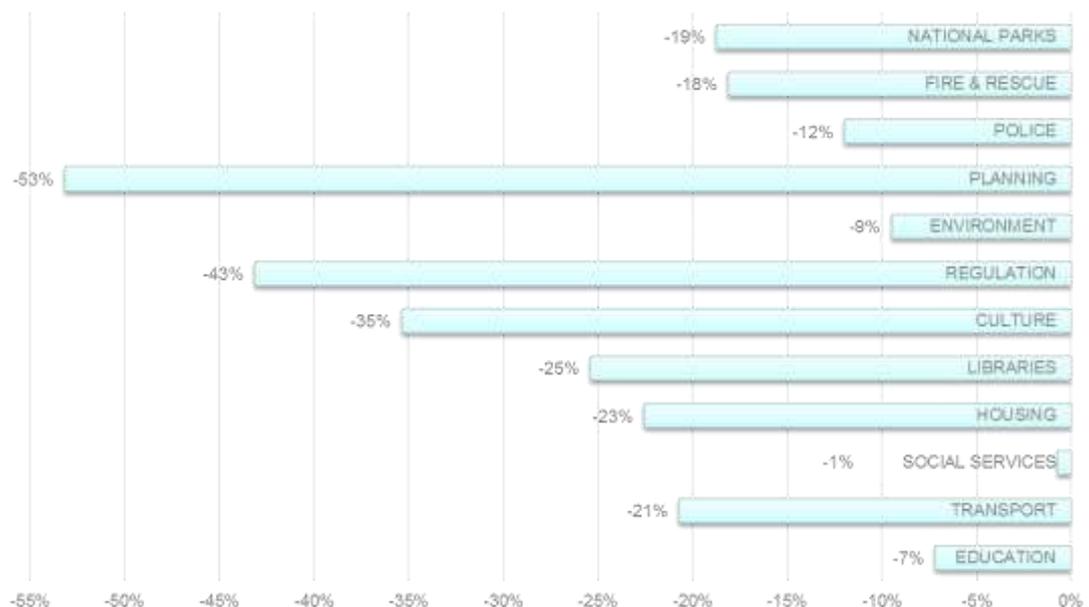
1. Local Government is a vital partner for the Welsh Government in delivering its broad social and economic outcomes. There is not one area in the Programme for Government where councils do not make a crucial contribution to outcomes. Local services support healthy people living productive lives in prosperous and innovative local economies. Local services provide the bedrock of safer, more cohesive and more equal communities. Local services make an invaluable contribution to a resilient environment and a society with a vital sense of its own culture and heritage.
2. The WLGA's response to the provisional settlement announcement for 2016-17 has been relatively positive. An average reduction of 1.4% was a lot better than the experience of the past couple of years although we are continuing to make a case for rural authorities who fared less well.
3. Councils have played their part in delivering savings so far and are continuing to bear the brunt of austerity. Continued austerity is putting local services, and the government's own objectives at serious risk, both now and in the future. Unprecedented unavoidable financial pressures facing councils next year and longer-term demographic demands are likely to 'crowd out' the smaller, discretionary local services until they hardly exist. The well-being of the current and future generations is at serious risk.
4. In May 2015 Royal Assent was granted to the Well-Being of Future Generations Act. The Act places duties on the whole public sector to demonstrate how they have applied long term, preventative, integrated and collaborative approaches in achieving the seven national well-being goals. The emphasis is now on long-term needs assessments. It signifies a step change to place sustainable development and the needs of future generations at the heart of public service delivery in Wales and the whole financial planning framework, including budget setting, needs to reflect that.

## What, in your opinion, has been the impact of the Welsh Government's 2015-16 budget?

5. The 2015-16 Welsh Government Budget implied a cash reduction of 3.4% for local authorities across Wales. The announcement of the 2015-16 settlement was the third year in a row that the published indicative settlement had been significantly revised downwards. The recently published CIPFA 2015 Manifesto underlined that sound financial planning remains a concern across the public sector in the UK. Our major concern was the inability to rely on indicative figures while attempting to introduce significant reductions in funding in a planned and rational way, based on sound evidence and with an appropriate lead-in time.

6. There is no doubt that local public services are continuing to bear the brunt of austerity in Wales. While overall expenditure has levelled off in cash terms the impact on unprotected or discretionary services is extreme. The latest published budget data for 2015-16<sup>1</sup> shows environmental, cultural and community services are experiencing drastic reductions after adjusting for inflation.
7. Figure 1 shows that services that are vital to economic growth and the general well-being of communities have seen precipitous reductions since the onset of austerity. Some of the largest reductions have been in unprotected areas such as Planning and Regulatory Services which play a vital role in regeneration and preventative areas. Many other areas of LG spend have shrunk by at least a fifth in real terms. Areas that have been relatively protected include education, social services and environmental services have nonetheless being contracting.

**Figure 1:** Real terms reductions in service spend, 2009-10 to 2015-16



**Source:** IFS 2012, RO and RA returns

8. Since 2009-10 local authorities have achieved around £720m in efficiency savings. Most of this has been achieved through pay restraint and reductions in posts. Workforce surveys have shown that 15,000 posts have been lost since 2009-10. This is likely to continue through to 2019-20 on the same scale, effectively reducing the local government workforce by 20% over a 10 year period.

<sup>1</sup> <http://gov.wales/statistics-and-research/local-authority-revenue-budget-capital-forecast/?lang=en>

9. Many of the initiatives for addressing the budget shortfalls can be identified from local authorities' medium-term financial plans. The recent KPMG report on corporate support services identifies £33m of savings that are being reported in the last and the current financial year.
10. At the same time performance has been improving. The latest local government performance data shows how those services performed in 2014-15 compared to 2013-14. At a Wales level, 63% (26) of the 41 indicators which are comparable between 2013-14 and 2014-15 show improvement. The gap in performance (between the best and worst performing authorities) narrowed in 56% (23) of the indicators. For 39% (16) of the indicators, performance improved and the gap between the best and worst performing authorities narrowed.
11. Since the beginning of austerity Of the 43 national performance indicators in place for 2014-15, 67% (29 indicators) were comparable to 2009-10. Of the 29 comparable indicators, 86% (25 indicators) had improved.

**Looking at the draft budget allocations for 2016-17, do you have any concerns from a strategic, overarching perspective, or about any specific areas? / What expectations do you have of the 2016-17 draft budget proposals?**

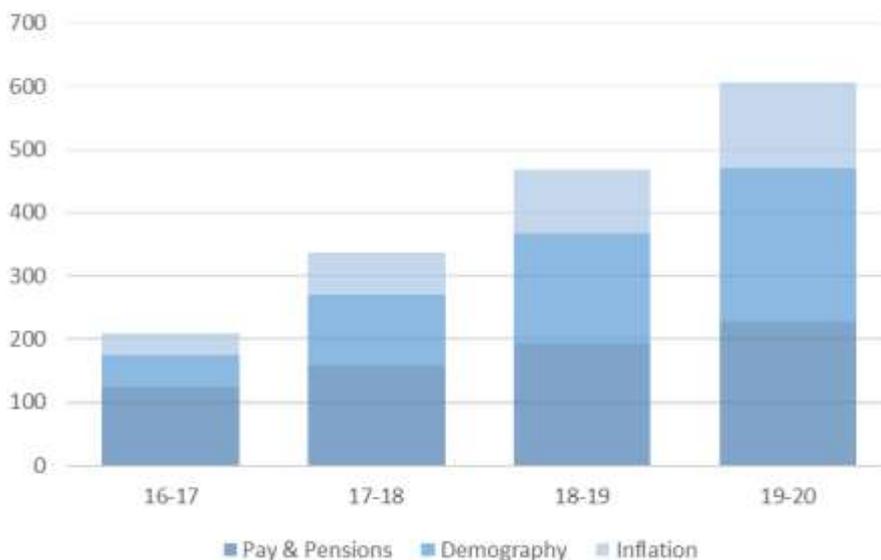
12. The WLGA Council met at the end of November 2015. In the run up to the budget announcement and provisional local government finance settlement, Leaders wanted to emphasise the preventative nature of local services especially social services. The letters set out in the annex received a positive response. The backdrop to the correspondence was the ongoing pressures that local authorities will experience over the next 5 years, not just 2016-17.
13. This derives from the increased demand for local public services and the increased cost of providing them. Some of these may arise from national or devolved government policy. Demand pressures are largely demographic and are most acute in the larger budget areas of social services and education. The work done for Wales Public Services 2025<sup>2</sup> demonstrated that pressures in social services budgets drive around 2.9% growth each year, which is around £43m annually up to 2019-20. This includes increases in Looked After Children as well as the elderly population
14. Within education budgets, increased birth rates are starting to feed through to growth in pupil numbers. From 2015 to 2019, the ratio of growth of school-aged children to the general population will increase nearly threefold from 0.8 to 2.3. The resultant annual pressure increases from £9m in 2016-17 to £24m in 2019-20.

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<sup>2</sup> Future Pressures on Welsh Public Services, WPS 2025  
(<http://www.walespublicservices2025.org.uk/new-report-by-mark-jeffs-wales-public-services-2025/>)

15. On the cost side there are unavoidable workforce costs that, left unfunded, means that the local services would be cut in order to fund them. By far the largest element is a pressure of £60m is due to loss of the National Insurance rebate as a consequence the introduction of Single Tier Pensions in 2016-17. For the education sector there is an additional pension pressure due to the part-year effect of increased employer contributions to the Teacher's Pension Scheme which is £13m for 2016-17 alone. A modest 1% pay award for teaching and non-teaching staff adds around £35m in 2016-17 and compounded thereafter.
16. There is also more general inflation and pressure generated through the Council Tax rises on the Council Tax Reduction Scheme. The former may be lower to due to systemic deflationary effects in the economy but there is a case for identifying the specific inflationary impact of contractual obligations and landfill charges. Overall these will account for £20m of pressure in 2016-17 and the CTRS scheme adds a further £13m.
17. Figure 2 below shows the total expenditure pressure in 2016-17 to be £208m over half of which is the unavoidable financial pressure of pay and pensions. By 2019-20 this rises to £607m when demographic pressure becomes the largest cumulative pressure.

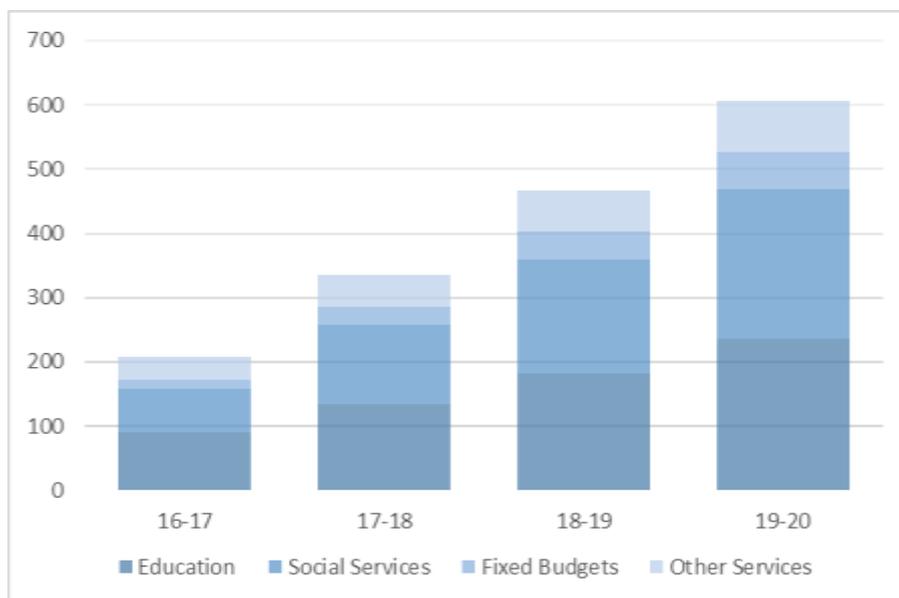
**Figure 2:** Cumulative impact of pressures up to 2019-20, by type, £m



**Source:** Base estimates: RO and RA returns (2013-14 to 2014-15), NI impact: SWT Survey (2015)

18. An alternative way of looking at these pressures is to base them on services and other elements of the overall budget. Figure 3 shows the pressures broken down in this way. Just under three quarters of the pressures are attributable to the largest services of social services and education, a proportion that remain consistent through to 2019-20.

**Figure 3:** Cumulative impact of pressures up to 2019-20, by budget, £m



**Source:** Base estimates: RO and RA returns (2013-14 to 2014-15), NI impact: SWT Survey (2015)

19. While Council tax continues to be an important source of income for local authorities, future increases are nowhere near enough to fund the pressures highlighted above in figures 3 and 4. It makes a contribution and this varies from authority to authority. Even if every local authority sets future levels at the 5% threshold historically accepted it can only raise £56m in 2016-17. So it barely pays for its own CTRS implication (£13m) plus social services demography (£43m). In short, it accounts for little under a quarter of next year's pressure without taking into account any funding reduction.
20. The combined effect of the funding reduction, additional pressures and council tax increases means that, on average, local authorities will be looking at absorbing a budget shortfall of £200m in 2016-17. This will involve making similar decisions to those made in the past about service prioritisation and transformation.
21. At authority level the funding formula determines the settlement for each authority and continues to deliver a range of reductions. The range in grant reductions was extreme this year. With Cardiff receiving a 0.1% reduction and Powys receiving a 4.1% reduction, the range was 4%. For grant allocations the range is driven by three factors: needs equalisation, resource equalisation (both of which are driven by the funding formula) and, finally, the damping mechanism.
22. Those authorities at the bottom of the range clearly come out worst from a combination of all three of these factors. The WLGA supports the views of

the independent members of the Distribution Sub Group that the funding formula is due for a fundamental review. In their report, the independent members continue to state that:

*The reasons for a review of the formula were outlined in previous reports and they remain as already stated.*

- *The continuing need to amend aspects of the formula and to bring historical data up to date suggests that the current formula is still far from stable.*
- *Reliance on historical data and spending patterns in a period of austerity and significant change is likely to have implications for the appropriateness of the existing distribution mechanism and brings with it a danger of loss of consensus but also the possibility of direct challenge.*
- *The current formula mechanism is based on a methodology that does not meet established standards of statistical practice. Regression analysis of only twenty-two cases (i.e. the Welsh local authorities) is susceptible to over-fitting of the data and to influential cases skewing the estimates. This issue is likely to become even more pressing if the number of authorities reduces further.*
- *Finally, given the reliance on collaboration for the delivery of many key services across Wales, there is a need to consider in what ways joint production of services might need to be incorporated within the formula.*

23. The Committee should also be aware that WLGA and CIPFA have joined forces to appoint an Independent Commission to look at the future of Local Government Finance<sup>3</sup> in Wales which is chaired by Professor Tony Travers. The Commission is not tasked with evaluating the formula directly but is taking a broader view of the system and whether funding may be better incentivised or even localised. A balance needs to be struck between a system that better incentivises and one that fully equalises and reflects need. In the WLGA manifesto<sup>4</sup> we make a case for more localisation and the corollary to this is greater fiscal devolution.

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<sup>3</sup> <http://www.cipfa.org/partners/independent-commission-on-local-government-finance-wales>

<sup>4</sup> <http://www.wlga.gov.uk/local-government-policy-priorities-for-the-national-assembly-for-wales>

## How financially prepared is your organisation for the 2016-17 financial year, and how robust is your ability to plan for future years?

24. The question posed by the Committee really is a key one for public services as a whole in Wales. For local authorities, the WAO has recognised that 'financial planning is generally getting better' but there are challenges for local authorities in addressing their own short termism. While local authorities can make sound estimates of future expenditure pressures, second guessing the scale of funding reductions in the future has become a quest for the grail. This is not helped by the Welsh Government's approach to its own budget setting.
25. The WG has retreated from a sound medium-term approach which it had at the outset of the 2010 Spending Round. The budget cycle has returned to an annual incremental approach accompanied by a complete withdrawal of the system of multiyear settlements for local government that had been developed as far back as 2007.
26. In England, local authorities now have a clear picture of their funding trajectory over the lifetime of the Parliament. Furthermore, the Office for Budget Responsibility has published its own forecast of local authority funding and spending up to 2021.
27. This is summarised in table 1 below where increase in central government current grants to local authorities between 2015-16 and 2020-21 are set to rise by 7% in Wales, 8% in Scotland (including business rates) and 4% in England (including retained business rates). Spending increases are even more generous.

**Table 1:** OBR Forecasts of LG Spending and Funding in Wales, England and Scotland, £bn

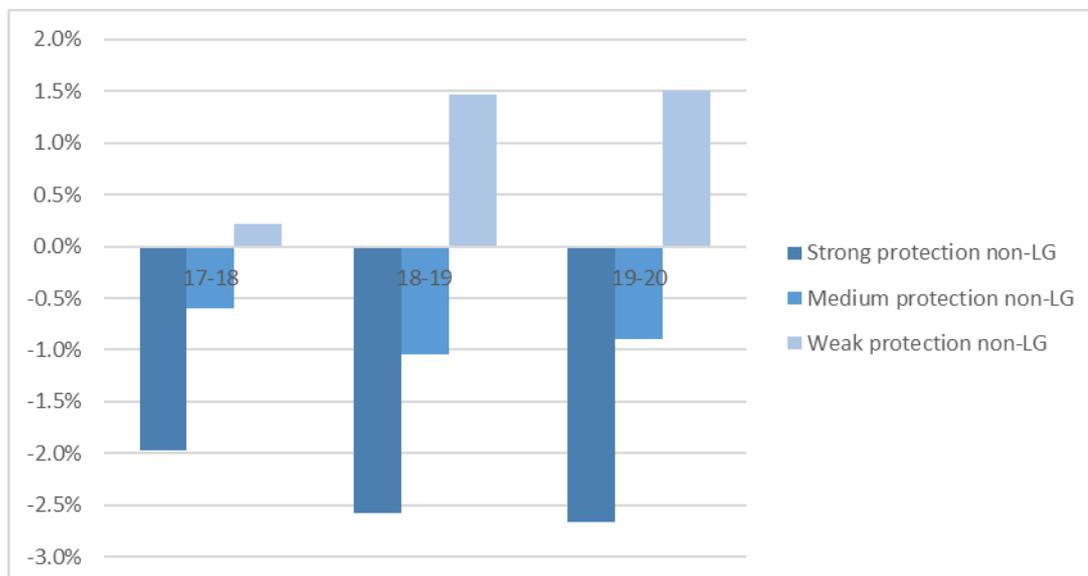
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Increase %	Annualised increase %
<b>Net Current Expenditure</b>								
Wales	7.1	7.3	7.4	7.5	7.6	7.9	11%	2.2%
Scotland	11.7	11.8	12.0	12.2	12.4	12.8	9%	1.8%
England	109.1	110.2	111.6	112.7	114.7	118.9	9%	1.7%
<b>Central Govt current grants</b>								
Wales	4.3	4.4	4.4	4.4	4.5	4.6	7%	1.4%
Scotland (inc business rates)	9.7	9.7	9.9	10.0	10.2	10.5	8%	1.6%
England (includes retained business rates)	69.2	69.1	69.0	68.9	69.4	72.1	4%	0.8%

Source: Office for Budget Responsibility [Table 3.31 in the Economic and Fiscal Outlook Supplementary Fiscal Tables](#)

28. However the Spending Review documentation does provide estimates for the Welsh Block Resource DEL which along with assumptions about growth in business rates can assist in modelling a number of scenarios for the Welsh

Government Budget and the impact on local government's core grant in the remaining years of the Spending Review.

**Figure 4:** Modelled changes to Aggregate External Finance (AEF) to 2019-20, under 3 scenarios



29. Under the most optimistic scenario there is 'weak' protection for non-Local Government Budgets. Under this scenario, the NHS receives future increases based on a 'consequential' of the increase to the English NHS through the lifetime of the Parliament. All other budgets are held cash flat, allowing AEF to increase by 0.2% in 2017-18, 1.5% in 2018-19 and 1.5% in 2019-20. This scenario roughly aligns with the OBR forecast.

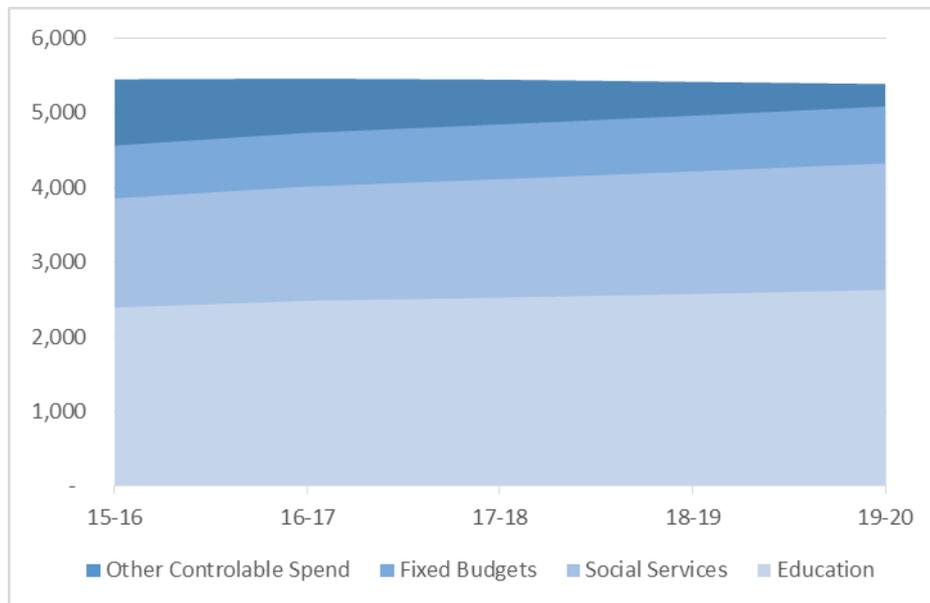
30. A less favourable scenario is to assume that there is 'medium' protection for non-Local Government Budgets. This time the NHS receives more generous uplifts based upon general (GDP) inflation over the SR period. All other budgets are held cash flat, allowing AEF to reduce by 0.6% in 2017-18, 1.0% in 2018-19 and 0.9% in 2019-20.

31. An even more pessimistic scenario could be envisaged where, as above, the NHS is protected for inflation, and so are all other non-LG budgets. AEF reduces by 2.0% in 2017-18, 2.6% in 2018-19 and 2.6% in 2019-20.

32. During the summer of 2015, the WLGA summarised the funding and spending projections, known at the time and concluded that there would be a cumulative budget shortfall of £941m by 2019-20, assuming current policies remain unchanged. The current estimate based on the most pessimistic assumption in the paragraph above predicts a budget shortfall of £670m.

33. The impact on controllable budgets will continue to see expenditure on discretionary services hollowed out. Figure 5 shows that budgets on other services shrink to a third by 2019-20.

**Figure 5:** The budget shortfall implications for controllable budgets, £m



## Conclusion

34. Local Government recognises that the Welsh Government is also faced with real terms reductions in its budgets, and is not simply seeking to achieve greater funding, but rather to seek a new relationship with WG where the gravity of the situation is recognised, accurate and transparent information is reported and flexibility is maximised. There are a number of ways in which this can be achieved (and is argued in the WLGA manifesto):

- Link any protection for schools more directly with Aggregate External Finance (AEF)
- Greater equity of consideration of the preventative services provided by local government such as social care and housing
- De-hypothecation of all specific grants into the RSG
- Greater coordination across Welsh Government departments in any aspects of policy making that affect local government
- A thorough review of the costs and benefits of audit and regulation
- A review of the impact of universal benefits and subsidised service delivery where these are proving unsustainable for councils
- Full consideration of the devolution of powers to councils, including the retention of business rates growth
- Greater clarity for the future with the issue of multiyear settlements
- Recognition that at a time of increasing financial risk, a council making cuts also needs to increase reserves to reflect the increased volatility of its budget

- Realism in terms of new legislative duties for Councils and far more robust financial impact assessments of new policies.

35. Specific grant funding has increased from £680m in 2009-10 to over £900m in 2015-16 as new initiatives have grown more quickly than older grants are rolled into the settlement. Many grants are aimed at achieving very similar outcomes, often over-lapping or duplicating activity while at the same time restricting in how authorities design their service delivery in achieving those outcomes, potentially to the detriment of innovation. Examples include Communities First (£29m), Family First (£43m), Flying Start (£76m), and Supporting People (£124m).

36. The Minister for Public Service's recent decision to roll the Outcome Agreement Grant into the general settlement is a welcome demonstration of the approach other Ministers should be taking to the funding, planning and delivery of local public services. This approach is consistent with the five sustainable development governance principles, known as ICLIP<sup>5</sup>, that underpin the main duty of the Well-Being of Future Generations Act.

37. The focus on the long-term should provide an impetus for the Welsh Government to provide a clear indication of future settlements. More than ever councils will need clear multiyear settlements so that the funding and delivery of local services can be planned in advance.

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**For further information please contact:**

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<sup>5</sup> Integration (of different initiatives, services, actions), Collaboration (of public, private and third sector bodies as appropriate), Long-term (ensuring that improvements made now can be sustained), Involvement (of communities in key decisions) and Prevention (tackling root causes instead of symptoms)

**ANNEX I**

**Our Ref/Ein Cyf:** JR/AS HD  
**Your Ref/Eich Cyf:**  
**Date/Dyddiad:** 30 November 2015  
**Please ask for/Gofynnwch am:** Jon Rae  
**Direct line/Llinell uniongyrchol:** [REDACTED]  
**Email/Ebost:** [REDACTED]



Leighton Andrews AM  
Minister for Public Services  
Jane Hutt AM  
Minister for Finance and Government Business  
Mark Drakeford AM  
Minister for Health and Social Services  
Welsh Government  
Cardiff Bay  
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Dear Ministers

**Spending Review**

We were pleased last Friday to welcome to the WLGA council the Minister for Public Services, Leighton Andrews AM who highlighted the issues facing Welsh Government in light of the Chancellor's recent Spending Review announcement and in advance of the Welsh Draft Budget. We thank him for taking and answering an extensive range of questions from members primarily related to the forthcoming provisional settlement.

It was the view of members following this debate that it is important that we set out a compelling case to help protect the NHS through investment in preventative local public services. Equally, it is important to recognise some of the difficulties faced by the Social Care sector. This includes residential and domiciliary care coming to grips with the financial implications of the living wage and, of course, the scale of demographic challenges.

We understand that the Chancellor has delivered a settlement for the Welsh Government where the revenue budget falls by 4.5% in real terms over the four-year period. We recognise that this presents a difficulty in how to fully passport a £220m health consequential when other negative consequentials have netted out to produce smaller cash increases of around £100m a year for the Welsh Block over the SR period.

Our concern is around the need to invest in key preventative services like social care. Recently at our Joint WLGA and Welsh Government Finance Seminar we heard how council funding is on a

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downward spiral and is possibly two years behind England. It begs the question what has happened across the border in that period?

There is a calamity in progress in England at the Health and Social Care interface which the Westminster Government contends can be answered by local authorities raising council tax by an additional 2% with the money raised spent only on adult social care. This is understandably being vigorously contested by the English LGA. The Leader of Newcastle City Council, Nick Forbes has argued that "This is a sticking plaster over a gaping wound. The fundamental problem is that there is not enough money in the care system. As a result, the NHS will come under increasing pressure". Of more than 1.8m people whose requests for care and support were assessed by English councils in 2014-15, 59% received no direct services at all. Furthermore figures on delayed transfers of care are worsening. In September the number of delays hit record levels while in Wales they have remained stable and recently reduced.

Our focus in Wales is to see social care as a tool to enable and empower people whereas in England it is increasingly portrayed as an act of charity for the vulnerable. We are all working under the banner of "Prudent Health Care" to shift the system radically towards prevention and focus on wellbeing rather than ill-health. As the Finance Minister's recently pointed out the "...UK Government continues to look at NHS services in isolation".

In light of the experiences above we are urging you to consider continued and increased investment in protecting core funding for social services through the RSG and other mechanisms such as the Intermediate Care Fund which has shown significant benefits over the recent period. We have all noted the recent comments by Simon Stevens Chief Executive of the NHS England on the impact that the dramatic cuts to social care are having on the English NHS and we understand he urged Government for the protection of social care to alleviate this.

We are seeking your continued support to invest in preventative services. We fully recognise the scale of challenges in the NHS and the fact that this will be the channel for the majority of resources from Welsh Government in the next period. But if more resource is channeled to one part of the system without changing anything else, it is likely to result in a similar crisis to that in England.

Thank you for your active consideration of the issues in this letter which we written on behalf of our colleagues across the 22 councils.

Yours sincerely



Councillor Aaron Shotton  
**WLGA Spokesperson for  
Finance and Resources**



**Councillor Huw David  
WLGA Spokesperson for  
Health and Social Care**

Mae cyfyngiadau ar y ddogfen hon

	Finance Committee of the National Assembly for Wales.
<b>Purpose:</b>	The Welsh NHS Confederation's response to the consultation on Welsh Government Draft Budget Proposals for 2016-17.
<b>Contact:</b>	Nesta Lloyd – Jones, Policy and Public Affairs Officer, Welsh NHS Confederation. [REDACTED] Tel: [REDACTED].
<b>Date created:</b>	5 January 2016.

### Introduction

1. The Welsh NHS Confederation, on behalf of its members, welcomes the opportunity to respond to the Finance Committee's consultation on the Welsh Government's Draft Budget proposals for 2016-17.
2. By representing the seven Health Boards and three NHS Trusts in Wales, the Welsh NHS Confederation brings together the full range of organisations that make up the modern NHS in Wales. Our aim is to reflect the different perspectives as well as the common views of the organisations we represent.
3. The Welsh NHS Confederation supports our members to improve health and well-being by working with them to deliver high standards of care for patients and best value for taxpayers' money. We act as a driving force for positive change through strong representation and our policy, influencing and engagement work. Members' involvement underpins all our various activities and we are pleased to have all Local Health Boards and NHS Trusts in Wales as our members.
4. The Welsh NHS Confederation and its members are committed to working with the Welsh Government and its partners to ensure there is a strong NHS which delivers high quality services to the people of Wales.
5. The seven Health Boards and three NHS Trusts in Wales are already working hard to make sure that high quality, safe and cost-effective healthcare services are available to everyone, based on their clinical need.
6. With money extremely tight and demand rising, finance and funding can never be far from NHS leaders' minds. The NHS in Wales, along with other public services, continues to work in an extremely challenging financial climate and it must prioritise and change. Radical transformation of healthcare, and related services, is now the only way in which NHS Wales can hope to be on a sustainable footing for the longer-term. This 'transformation' is not only about reshaping healthcare and doing things very differently, it also involves recalibrating our relationship as patients, and the public, with the NHS.
7. The Welsh NHS Confederation feels very strongly that this change needs to be planned, resourced and supported, rather than allowed to happen on an ad-hoc basis. The NHS in Wales has a clear objective to offer high quality and safe healthcare services to the people of Wales within the resources available. It also acknowledges that there are areas where it could, and should, do better.

### Summary

- 8.

- a. The Welsh NHS Confederation welcomes the investment the Welsh Government has made in the NHS and this settlement for NHS Wales.
- b. In a period of austerity, combined with increases in demand, rising costs of providing services and an understandable expectation to continuously improve quality and safety, NHS Wales faces a significant financial challenge. The Welsh NHS Confederation recognises that the additional funding outlined in the Draft Budget comes with a responsibility to ensure that it is used effectively. We welcome the ring-fencing of funding for social care in Wales. We recognise social care as part of a patient's pathway and a crucial component of keeping people away from frontline NHS services.
- c. While the increase in directly available health resources is welcomed, further detail is required to establish if the funding provided and made available is sufficient to support the increasing demand on services in 2016-17. While the Draft Budget does outline an anticipated 3.6% real terms reduction to the overall Welsh Government budgets from 2015-16 to 2019-20, and acknowledges a continued projected population growth and growth within the over 65 population, it is unclear at this stage whether funding allocated to health will be sufficient in the longer-term.
- d. We welcome the prioritisation of mental health and older people services, funding for joint working and capital. We agree these are priorities areas for NHS Wales. Currently, the majority of spending in the NHS goes towards the costs of providing hospital and community-based services. Due to a range of factors, the NHS will not be able to continue to do all that it does now, and certainly not in the same way. While much of the debate has been over the amount of money the NHS has at its disposal, we have been trying to shift the focus to how that money is spent if we are to sustain the NHS in the future, including implementing the principles of 'prudent healthcare'.<sup>i</sup>
- e. The NHS must be allowed to prioritise, and change must take place right across Wales to ensure efficient, safe and sustainable services are provided within the resources allocated by the Welsh Government. This will inevitably mean that difficult choices have to be made on what services are provided where and when. Prioritising services and spending means that the people of Wales, NHS staff, partners and politicians must be prepared to accept and support new and different ways of delivering services, while taking more responsibility for how they use those services. As our recent briefing, 'The 2016 Challenge: A vision for NHS Wales',<sup>ii</sup> produced for the National Assembly for Wales Election, highlights National Assembly Candidates should '*Recognise the change in the way we organise care is necessary, and play a leadership role in ensuring debates about change focus constructively on people's outcomes, experiences and well-being*'.
- f. Consideration will be required by the NHS of the impact of the Budget settlement and funding reductions to Local Authorities, and also wider partners who support healthcare service delivery such as the third Sector and housing. There will need to be clarity on the delivery plans of our partners to manage services within resources available to ensure there is no wider impact on NHS services. We recognise that any extra money given to NHS Wales means it cannot be spent elsewhere. With the proposed additional NHS funding it must be recognised that the funding provided to the Health and Social Services Department now accounts for 48% of the funding allocated to the Welsh Government, a 2% increase at a time when other departments' budgets are being cut. Therefore we want to underline our commitment to collaborate with colleagues across sectors; seeking new ways of working to deliver timely services which meet the needs of

the people of Wales. The Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015 will help support integration and collaboration across the public sector in Wales.

- g. Finally it is important to acknowledge the enormous achievements made by Health Boards and Trusts to make significant efficiency savings within the Welsh NHS. The Wales Audit Office's recent report into public services, A Picture of Public Services 2015,<sup>iii</sup> found that, since 2011, the NHS has reported making around £800m in savings while the Draft Budget states that between 2010–11 and 2014–15 the NHS has made more than £1.1 bn in efficiency savings. The health service is committed to continuing to find more efficient ways of working which improve patient experience and reduce costs.

### **The Committee's terms of reference**

9. We note the specific questions the Committee has raised in respect of this consultation. While we are not responding to the specific questions posed we considered it would be helpful to give an overview, from the NHS perspective, of the budget challenges and opportunities.

### **Health funding**

10. These are difficult and testing times and the seven Health Boards and three NHS Trusts in Wales will continue to drive down costs to meet the reality of an austerity budget. While health and social services have seen the smallest real-terms reduction of any department, a significant financial challenge remains.
11. In each year since 2010-11, the Welsh Government has provided more revenue to the NHS than initially planned, with health revenue funding increased by more than 9% since 2013-14 on a recurrent basis. However, according to the Wales Audit Office's recent report<sup>iv</sup> into public services, health spending in 2011-12, 2012-13 and 2013-14 was lower than in 2010-11 in real terms. Therefore the Welsh NHS Confederation welcomes the recently announced extra capital and revenue funding in the Draft Budget.
12. While the increase in funding is positive news for 2016-17 we are concerned about the proposed settlements within the UK Government Spending Review for the following two years. These will place significant pressures in future years and therefore it is important that the NHS in Wales quickly moves to transforming our health services to contend with this looming pressure. The 'prudent health' care approach will help us work through this but it will require the commitment of the NHS, all healthcare related partners and the general public, to truly be successful. The NHS will need to be supported to make progress in changing the way care is delivered, with patient outcomes at the heart of the measurement of success.

### **Efficiencies made within the NHS**

13. As highlighted the increase in funding is recognised, but we are frustrated that the success in delivering efficiency savings within the NHS is not more widely recognised. As the Draft Budget highlights, between 2010-11 and 2014-15 the NHS has made more than £1.1bn in efficiency savings through service changes including increasing day surgery rates, providing more care closer to people's homes, service reconfiguration, increased productivity, demand management, pay

restraint and more effective prescribing. This is equivalent to an average annual saving of more than 4% of health board revenue allocations. While the efficiency savings made by the NHS are significant, the annual achievement has been gradually diminishing year on year, a reflection that traditional methods of savings are unlikely to deliver what is needed in the future.

14. With the Welsh Government's block grant in 2019-20 predicted to be £1.8bn (11%) less than in 2010-11, we know that financial pressures across public services will continue for years to come.
15. While the NHS continues to work in an extremely challenging financial climate, the National Health Service Finance (Wales) Act 2014 does enable Health Boards and Trusts to have a greater focus on medium-term planning. The increased flexibility afforded in the Act allows plans to be developed at Health Board and Trust level so investment can be made in one year to support service change and a reduction in costs in future years. As the Nuffield Trust report<sup>v</sup> highlighted, the NHS must transform the way it provides care to meet demand and financial pressures and ensure its resources are used effectively and efficiently. Improving Health Board and NHS Trust planning arrangements is part of this process.
16. While increases in funding are welcome, it is important to note that money is not the overall solution to the issues faced by the Welsh NHS. In a recent survey conducted by the Welsh NHS Confederation,<sup>vi</sup> more than half of our members (56%) said that an increase in funding would not solve the challenges. This demonstrates that, while finances are extremely important, more money is not a single solution.
17. Radical change is what is needed if the NHS is to meet the level of demand being placed upon it while living within its means. Sustainable plans will have to be developed to enable the NHS to deliver financially as well as provide high quality care to patients. This is a significant and complex challenge which will require the support of the political community and the public.

### **Growing pressures on the health service**

18. Against the backdrop of significant financial pressures, there have been relentless advances in medical technology, increased patient and clinical expectations, long-term demographic trends, lifestyle-related conditions and the challenges of providing services across all parts of Wales. Furthermore, an ageing population, combined with more people having increasingly complex needs, means that demand for health and social care services is predicted to grow rapidly.
19. While the fact that more of us are living longer is a success story and should be celebrated, this trend brings about fresh challenges for the NHS. The number of people aged 65 and over is projected to increase by 50% by 2037.<sup>vii</sup> While people are living in good health for longer, this health gain is not distributed equally. Wales currently has the highest rates of long-term limiting illness in the UK, which is the most expensive aspect of NHS care. Between 2001-02 and 2010-11 the number of people with a chronic or long-term conditions in Wales increased from 105,000 to 142,000.<sup>viii</sup> This figure is expected to rise for a number of conditions, including cancer, dementia and diabetes.
20. In practical terms this has meant that the NHS in Wales has had to contend with increasing costs arising from, but not limited to:

- a) The workforce, in respect of capacity to deal with increased demands and the increased cost of the workforce through increments and pension contributions. Currently, around 129,000<sup>ix</sup> people are employed in the health sector in Wales – the equivalent of 8% of the country's employment – while NHS Wales itself employs around 85,000 staff.<sup>x</sup> This makes the health service Wales' biggest employer, with the NHS pay bill standing at around £3 billion (more than 50% of NHS spend);
  - b) Non pay cost increases, also through increasing demands, price increases and the increasing demands for high cost drugs;
  - c) Increased volumes of packages of care for patients in the community meeting the continuing NHS healthcare and funded nursing care criteria as a result of our growing elderly population;
  - d) Increased demand for prescribed drugs within the primary care setting.
21. The challenge for the NHS is that, in successive years of dealing with financial challenges, the traditional methods of finding savings are unlikely to serve us well in the future. We must recognise that, year on year, the NHS in Wales has to develop more sustainable and sophisticated plans that have got to be delivered within its responsibility to provide high quality care to patients. Ensuring that efficient and safe services are provided within the resources allocated by Welsh Government requires each NHS body, and NHS Wales as a whole, to prioritise spending. This will inevitably mean that difficult choices have to be made on what services are provided.
22. The NHS has made a strong and consistent case for investing in the NHS based on sound economic and social policy. The moral case for transforming how care is delivered to better suit the needs of people today is strong. There is however an equally compelling economic case for investing in the NHS now, so it can better support our society to live healthier lives with less need for medical care. Put bluntly, a strong economy needs a strong NHS. It is increasingly apparent that more of the same is unsustainable. In order to address the continued austerity in NHS Wales and the challenges it brings, our overriding approach now must be for the NHS in Wales to adopt and implement universally a 'prudent healthcare' approach.

### **Patient outcomes**

23. There are numerous examples within Europe, and the rest of the world, which demonstrate that focusing on improving outcomes for patients rather than focusing on purely inputs will improve the quality of care delivered. This approach will also reduce the cost of delivering care. There are several examples of good practice happening across NHS Wales. We would welcome the opportunity to do further work with the Welsh Government to reconsider the performance framework for NHS Wales. This would enable performance to be measured and monitored in a way that will promote improvements in clinical quality and outcomes.
24. The senior leaders in NHS Wales are engaging with clinical leaders to reconsider longstanding delivery models and to adopt a more prudent approach, without compromising the delivery of outcomes. This will require a combined and shared leadership across professions, particularly for finance and clinical leaders, and aligned Welsh Government policies to support its implementation.
25. Targets also have a role to play when it comes to prioritising spending. Waiting times are a key priority for those in the NHS and there is much work going on to address this. While targets have a role to play, policy makers must look at the bigger picture, which is about instigating a whole

system change in the way treatment is delivered to patients and providing the best service we can within the resources that we have. Patient-centred care, which is measured in outcomes, should be driven further through the provision of more services in communities and closer to people's homes. Treatment should be provided in hospitals only when it is absolutely necessary to do so.

26. For these strategies to be successful requires a collective ambition and an acceptance that change in the way we deliver services will be inevitable. For any change to be successful the Welsh Government, the National Assembly and the public must acknowledge that the priorities for health services in Wales will need to be re-assessed and delivery targets set accordingly. The current financial position of the NHS means it is very difficult to transform services at the same time as handling ongoing enormous pressures on existing services, finances and resources.

### **Service redesign**

27. Part of the responsibility of the NHS in Wales, especially in these economically straitened times, is to be open about the difficult choices we face. Of course the NHS can make the current model more cost-effective through efficiency by 'doing the right thing', reducing the costs of delivering services and workforce redesign. However, there are only so many costs that can be taken out of the existing models.
28. The challenge here is that there is limited flexibility to shift significant investment away from treatment services when the current demands on the health service are so great. Therefore, this is an extremely difficult, yet vital, task and the health service will need support to do this.
29. In parallel, the NHS needs to channel resources into new care pathways, preventative measures and more cost-effective models of care, which can generate efficiency savings from 'doing the right thing' in the first place. Moving resources into new models of care won't be easy and evidence suggests it takes time for us to see the benefits.
30. Prioritising services and spending means that the people of Wales, NHS staff, partners and politicians must be prepared to accept and support new and different ways of delivering services, while taking more responsibility for how they use those services.

### **Capital Funding**

31. We support the additional £33.5m allocated to capital for NHS equipment, ICT and infrastructure. The shortage of capital funding is a very particular barrier to service change. In order to consolidate services and make them more efficient to release revenue there will need to be a significant investment in buildings, equipment and information and communication technology in the secondary care sector but also in primary and intermediate care.
32. We welcome the recently launched digital strategy for Wales<sup>xi</sup> and it is important that capital funding is made available for IT services. If we are going to move into modern ways of working we must fully embrace the opportunities that IT and digitisation can bring.

### **Engaging with the public**

33. We believe that the people of Wales understand that the current economic climate affects not only the size of the budget for public services but also how it is used. We know that the NHS in

Wales must do more to involve the public and patients, staff and partner services in explaining and working through the choices that need to be made. We must have honest conversations with the public about what the NHS can and cannot provide and what their role and responsibilities are in terms of using health services in the right way and maintaining their own health and well-being.

34. Health Boards and Trusts are committed to improving arrangements for involving all these groups, explaining priorities and continuing the development of a modern, safe, quality, value-for-money health service. There are positive examples from NHS Wales of engaging with the public for the re-design of local services and to make savings, including:
  - a. Through the local development of services that allow patient activity to be brought back to a local area;
  - b. By developing new service responses to growing demand;
  - c. By creating patient-focused alternatives;
  - d. By shifting services and resources more appropriately to the community; and
  - e. Simply by continuing to focus on more patient activity and efficiency.
35. In addition to the role of Health Boards and Trusts in engaging with the public, politicians must play a leadership role in ensuring that the debate around the NHS is constructive. As our briefing 'The 2016 Challenge: A vision for NHS Wales' highlights, all National Assembly candidates should recognise that change in the way we organise care is necessary, and help to ensure debates about change focus constructively on people's outcomes, experiences and well-being.

### **Integration**

36. The NHS must consider the impact of the budget settlement and funding reductions to Local Authorities, and wider partners, who support healthcare service delivery.
37. Integration across the whole public sector is important. Unless we develop a truly coordinated approach to care, public funding will continue to grow to fund demand with a diminishing rate of return. Budget cuts can create tensions between those in the public sector but good relationships are vital if we are to transform services.
38. To provide patient-centred care, collaborative working is vital. Integration needs to happen, both within and outside the health service. We support the additional £21m to social services and allocating £30m additional funding to the Intermediate Care Fund, which strengthens the integration between health and social care. The NHS will not be able to rise to the challenges it faces without the help of our colleagues in other sectors, including housing, education and, in particular, those in social services. The health and well-being of the population is not the sole responsibility of the NHS - everyone must come together to play their part. At the same time, the NHS must build on its ability to work with others in order to provide services which are not only person-centred but also help to reduce health inequalities and improve patient outcomes.
39. We also recognise that any extra money given to NHS Wales from the Welsh Government's budget means it cannot be spent elsewhere. Therefore we want to underline our commitment to collaborate with colleagues across sectors; seeking new ways of working to deliver timely services which meet the needs of the people of Wales.
40. The Welsh NHS Confederation believes that Wales, given its size, structure and close links, has a golden opportunity to achieve so much when it comes to integration. The Welsh NHS

Confederation is working with ADSS Cymru on a project called Delivering Transformation to assist transformational change across social services and health.

41. Alongside this, there is a need for honest conversations with the public about how greater integration will impact on local services. An increasing proportion of resources will go to community-based interventions, prevention, social support and primary care. Services will need to be transferred out of hospital, but in a way that does not compromise access or outcomes.

### Preventative spending

42. Measures to protect preventative programmes at 2015-16 funding levels (such as Flying Start) are welcomed in the context of a wider real terms Welsh Government funding reduction. In the context of wider population health gain and preventative spending programmes' impact on the longer term demographic trends and health service needs, this could result in the continued development of such programmes not fulfilling their potential.
43. Unless we get serious about prevention, health needs will continue to grow, putting more pressure on our universal healthcare system. Services provided by the NHS in Wales cover both prevention and treatment-based services. Evidence has long been put forward that the amount that the NHS spends on preventative services is too little and that there are significant health and economic gains from shifting the emphasis of the NHS from a treatment to a preventative service. The challenge is that the Welsh Government and NHS bodies have limited flexibility to shift significant investment away from traditional treatment services when the current demands on the health service are so great.
44. As a result, investment in new preventative initiatives tends to be linked with specific policy initiatives funded (usually) by top sliced allocations taken from the NHS budget. There is a challenge both for the Welsh Government and NHS bodies to demonstrate that this approach is effective and to ensure that plans produced by the NHS are tested in terms of the investment in preventative services and the expected outcomes and timelines.

### Conclusion

45. The Welsh NHS Confederation does not underestimate the massive challenge of public service budget setting in a time of austerity. The Welsh NHS Confederation, and our members, remain committed to doing the very best we can to continue to provide an NHS, in partnership with other public services, which supports the people who need it most, and helps the population generally live healthier lives. But we can only do what we can afford to do. All parts of the NHS in Wales have been making changes to the way services are organised. The fact is that, with funding very tight, the NHS will have to continue to make difficult decisions about the future shape of healthcare services and about priorities. We will also have to strengthen our relationships with others in order to rise to the many shared challenges that public services face. To achieve all of this, the input and support of the public, politicians and staff is vital.

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<sup>i</sup> Bevan Commission, Mansel Aylward, Ceri Phillips, Helen Howson, December 2013, 'Simply Prudent Healthcare – achieving better care and value for money in Wales – discussion paper'.

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- ii The Welsh NHS Confederation, October 2015, 'The 2016 Challenge: A vision for NHS Wales'.
  - iii Wales Audit Office, December 2015, A Picture of Public Services 2015.
  - iv Wales Audit Office, December 2015, A Picture of Public Services 2015.
  - v Nuffield Trust, June 2014. A Decade of Austerity in Wales?
  - vi The Welsh NHS Confederation, October 2015, 'The 2016 Challenge: A vision for NHS Wales'.
  - vii Welsh Government, StatsWales, July 2013. Population projections by local authority and year.
  - viii Nuffield Trust, June 2014. A Decade of Austerity in Wales?
  - ix NHS Wales Shared Services Partnership, January 2015. NHS Wales Workforce: Key themes and trends.
  - x Welsh Government, StatsWales, March 2015. Health and Social Care, NHS staff by staff group and year.
  - xi Welsh Government, December 2015. Informed Health and Care: A Digital Health and Social Care Strategy for Wales.

Mae cyfyngiadau ar y ddogfen hon

## National Assembly for Wales Finance Committee

### Call for Evidence on the Welsh Government Draft Budget Proposals 2016-17

#### Response by the Bevan Foundation

The Bevan Foundation is an independent think-tank and registered charity that develops ideas to make Wales fair, prosperous and sustainable. We are grateful for the opportunity to submit evidence to the Finance Committee's inquiry.

#### **1. What, in your opinion, has been the impact of the Welsh Government's 2015-16 budget?**

The Bevan Foundation has not undertaken any assessments of the impact of the 2015-16 budget and so is unable to comment.

#### **2. Looking at the draft budget allocations for 2016-17, do you have any concerns from a strategic, overarching perspective, or about any specific areas?**

We recognise the severe pressure faced by the Welsh Government in 2016-17. We also recognise the constraints arising from both the lateness of the draft budget and its delivery by a different administration from May 2016 onwards.

Our main concerns about the draft budget 2016-17 are that:

- a. the budget does not set a direction of travel for managing the greater fall in expenditure forecast for 2017-18 and 2018-19 – most the changes on the previous year are relatively marginal;
- b. the reduction in local authority expenditure is substantial and is likely to result in cuts to public services that will affect the least well off in Wales;
- c. the underlying problem of a weak economy has not been addressed.

Looking ahead, unless there is a change in priorities, demand or costs it is clear that expenditure on health will account for an ever-larger share of the Welsh Government budget. Important though the health service is, cuts to other services (including those that help to maintain healthy living such as leisure services, cultural activities and social care) could be counter-productive.

The Bevan Foundation has previously argued<sup>1</sup> that sustained reductions in public expenditure and the forecast increase in social, economic and environmental pressures require a radical rethink of spending priorities and how public services are

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<sup>1</sup> V. Winckler (2015) *The Shape of Wales to Come: Wales' economy, society and environment in 2020*. Bevan Foundation <http://www.bevanfoundation.org/publications/shape-wales-2020/>

delivered. We appreciate the timing of this draft budget make it more difficult to make significant changes.

**3. What expectations do you have of the 2016-17 draft budget proposals? How financially prepared is your organisation for the 2016-17 financial year, and how robust is your ability to plan for future years?**

The Bevan Foundation is not funded by the Welsh Government and so this question is not relevant to us.

**4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?**

We would like to comment on poverty and the mitigation of the impact of welfare reform.

We have long-standing concerns, as set out in our evidence to the Communities, Equality and Local Government Committee inquiries and in responses to Welsh Government consultations on its draft child poverty strategy and draft financial exclusion strategy as well as in numerous reports and online articles, that the Welsh Government's approach to reducing poverty and mitigating the impact of welfare reform are insufficiently focused on the problems, should make better use of evidence on 'what works', and are of insufficient scale to make an impact. Others including the Social Mobility and Child Poverty Commission and the Assembly's Communities, Equality and Local Government Committee have similar concerns.

While we are naturally concerned at the proposed reduction in budget for Communities and Tackling Poverty, we suggest that it is more important that good use is made of its proposed £333 million budget, which remains a substantial sum not least in comparison with expenditure on natural resources and the economy itself. In our view actions to reduce poverty and those to develop the economy and skills should be much more closely aligned.

We remain concerned at the absence of a comprehensive, long-term response to the changes brought by welfare reform, the effects of which could be devastating on low-income families and deprived communities, and which are likely to increase demand for public services.

Bevan Foundation

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Registered Charity no. 1104191

**WELSH GOVERNMENT DRAFT BUDGET 2016-17**

**Response to the consultation by the National Assembly for Wales Finance Committee by Michael Trickey, Wales Adviser to Joseph Rowntree Foundation (JRF)**

**1. Background**

As an independent foundation, JRF's interest in the Welsh Government Budget derives from its long-standing focus on understanding and tackling the root causes of poverty across the UK. It publishes wide-ranging research and policy analysis every year, including the regular monitoring of poverty levels across the four countries of the UK and updating annually its minimum income standard. It is currently developing an Anti-Poverty Strategy for the UK, based on extensive research and modelling, due for completion in autumn 2016. It will be exploring with policy-makers and stakeholders what this means for each of the devolved nations.

***JRF and the 2015 UK Spending Review***

JRF welcomed the National Living Wage, announced in the Summer Budget, as an important step to tackling low pay. It also welcomed the Chancellor's subsequent change to his tax credit proposals but noted that many working families will still find themselves worse off due to upcoming reductions in Universal Credit. By 2020, families with children will be better off only if both parents work full time on the National Living Wage – something only a small minority of families can manage.

Many of the announcements in the Spending Review applied, in practice to England only. JRF's concerns, for example, that, despite the welcome decision to provide extra money for house building even so-called 'affordable' home ownership is out of reach for low earning households and that the direction of travel on social care opened up the risk of a two-tier social care system primarily related to England. The response below addresses the position in Wales

**2. Draft Welsh Budget 2016-17- response to Committee questions**

**Q1 What in your opinion has been the impact of the Welsh Government's 2015-16 budget**

JRF has not undertaken an assessment of the impact of the 2016-17 draft Welsh Budget.

**Q2 Looking at the draft budget allocations for 2016-17, do you have any concerns from a strategic, overarching perspective**

JRF notes that the Welsh Government will experience a 4.5% real terms reduction in its resource DEL 2016 – 2020 with the profile of the reduction becoming deeper from 2017 onwards. The Welsh Government formed after the National Assembly elections will face tough choices about spending priorities, perhaps through its own spending review. In particular, this includes the trade-offs between responding to NHS cost and demand pressures and spending on all other programmes – including those related to tackling poverty, skills, employment and public services more generally. JRF notes that the draft budget includes commitments on social care, housing and other services as well as the NHS. The importance of a holistic approach is reflected in JRF's definition of poverty as when a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).

The draft budget for 2016-17, perhaps inevitably given the timing and proximity to the Assembly elections, reflects an existing set of priorities rather than chart a longer-term response to the challenges thrown up by the Spending Review.

### **Q3 Impact on your organisation.**

N/a

### **Q4 The Committee would like to focus on a number of specific areas – do you have any comments on the areas identified below**

The comments below concern policies to reduce poverty.

The Welsh Government budgets for 2015-16 and 2016-17 reflect a broadly consistent approach to tackling poverty, many of the relevant programmes being more or less protected in cash terms. JRF has previously welcomed the Welsh Government's commitment to tackling poverty and continues to do so.

There have been some encouraging pieces of news, for example the recent data on the improvement in education attainment gap among some age groups eligible for free school meals.

But poverty in Wales is a complex, deep-rooted issue. Overall levels of poverty have remained worryingly high and not changed in the last decade. The significant shift from pensioner to in-work poverty has been widely noted and the challenges for many young families have become deeper, often linked to low pay and short hours. The next stage in the welfare reform programme (see above) is likely to accentuate the trend.

Several things flow from this in terms of future strategic direction.

- A big challenge for Wales is achieving impact on poverty at scale, especially given that key fiscal transfer levers such as the tax/benefits system are substantially non-devolved. There is an argument about whether concentrating budgets and levers available to Wales on a small number of big interventions would have more of an impact than a wide but relatively thin spread of initiatives. This needs further investigation.
- Tackling poverty cannot only be about dedicated spending programmes. Creating a long-term, sustainable path towards a prosperous and low poverty Wales depends on the performance of the labour market and economy, and the role of businesses, employers and local leaders in working with the Welsh Government to tackle low wages and high costs. In support of this, a strong, well-articulated alignment is needed between action on skills, employment, economic development and tackling poverty.
- Action to mitigate the costs faced by low-income households is an essential component of tackling poverty. Over the last few years, essential items have risen in price faster than the average. As a result, the cost of living has risen more quickly for low income households than others. The potential for government influence on costs varies but there are some aspects, such as meeting complex care needs or affordable housing, where the role of government is well-established and will need to be reflected in long-term budget decisions.

We hope that JRF's anti-poverty strategy will be a contribution towards addressing some of these issues alongside the big messages to be drawn out of the Welsh Government's important programme of poverty-related research and evaluation, such as the impact of welfare reform, the dynamics of poverty and evaluation of poverty-related programmes.

Michael Trickey, January 2016

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon



## Submission to the National Assembly for Wales Finance Committee scrutiny of the draft 2016-17 Wales budget

<b>Names:</b>	<i>Alice Moore (Campaigns and Communications Officer) and Eleri Butler (CEO)</i>
<b>Organisation:</b>	<i>Welsh Women's Aid</i>
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<b>Address:</b>	<i>Pendragon House, Caxton Place, Pentwyn, Cardiff CF23 8XE</i>
<b>These are the views of:</b>	<i>Welsh Women's Aid (Third Sector) - the national charity in Wales working to end domestic abuse and all forms of violence against women.</i>

### Introduction

Welsh Women's Aid is the national charity in Wales working to prevent domestic abuse and all forms of violence against women<sup>1</sup> and ensure high-quality services for survivors that are needs-led, gender-responsive and holistic.

Established in 1978, we are an umbrella organisation that represents and supports a national federation of 24 local independent charities delivering specialist domestic abuse and violence against women prevention services in Wales, as part of a UK network of provision. These specialist services constitute our core membership, and they provide lifesaving refuges, outreach, and community advocacy and support to survivors of violence and abuse - women, men, children, families - and deliver innovative preventative work in local communities. We also deliver direct services including the Welsh Government funded *Live Fear Free Helpline*; a National Training Service; refuge and advocacy services in Colwyn Bay and Wrexham; and the national *Children Matter* project which supports local services to help children and young people affected by abuse and to deliver preventative STAR groupwork in every local authority in Wales.

We have been at the forefront of shaping coordinated community responses and practice in Wales, by campaigning for change and providing advice, consultancy, support and training to deliver policy and service improvements for survivors, families and communities. As a national federation, our policy work, consultancy, training and advocacy is all grounded in the experience of local specialist services and service users. Our success is founded on making sure the experiences and needs of survivors are central to all we do.

### Key recommendation:

- 1. Welsh Government commits to protecting the funding for independent specialist domestic abuse and sexual violence services in Wales in 2016/17; and to establishing sufficient resources and a sustainable funding model for these specialist services in future.***

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<sup>1</sup> Domestic abuse is the exercise of control by one person, over another, within an intimate or close family relationship; the abuse can be sexual, physical, financial, emotional or psychological. Violence against women is violence directed at women because they are women or that affects women disproportionately, and includes domestic abuse, rape and sexual violence, forced marriage, female genital mutilation, sexual exploitation including through trafficking and the sex-industry, so-called 'honour-based violence' and sexual harassment .

## **Summary of additional recommendations:**

2. *Ministers should ensure NHS and social care investment enables these agencies to play a greater role in the prevention of domestic abuse, sexual violence and other forms of violence against women. This should include funding arrangements in 2016 which support Public Health Wales and the Health Boards and Trusts in Wales to:*
  - a. *Commit to delivering a public health approach to preventing domestic abuse, sexual violence and other forms of violence against women.*
  - b. *Commission the IRIS programme for health services and independent (third sector) specialist services, to ensure national delivery.*
  - c. *Implement violence against women guidance and NICE Domestic Violence and Abuse Guidelines (PH50 2014).*
3. *Welsh Government should promote the business case for violence against women prevention amongst all providers/contractors in receipt of Government investment, requiring them to:*
  - a. *Ensure they demonstrate corporate social responsibility by creating workplace policies, and training and educating employees on domestic and sexual abuse.*
  - b. *Promote and/or provide access to support for victims, and take action against perpetrators.*
  - c. *Exert leadership in local communities by supporting specialist services and promoting preventative campaigns and equality between women and men.*
4. *Welsh Government should ensure budgets also prioritise the sustainability of the third sector (as well as the public sector), and investment should also be targeted at systems change and transformation (as well as public services innovation).*
5. *Welsh Government should ensure budgets support delivery of multi-agency statutory guidance that delivers systems-change and ‘change that lasts’; prioritising needs-led strengths-based delivery that places survivors of abuse at the centre of any intervention.*
6. *Welsh Government should ensure budgetary investment targeted at reducing poverty and mitigating welfare reform proactively addresses violence against women prevention and the negative impacts these have on women and children.*
7. *Welsh Government should ensure budgets deliver sufficient specialist women’s refuge spaces in Wales to meet the needs of women and children and a national network of independent specialist women’s services to support women and children to achieve independence and freedom from abuse.*

## **Response to consultation questions:**

1. **What, in your opinion, has been the impact of the Welsh Government’s 2015-16 budget?**
  - 1.1 Having worked for nearly four decades in Wales to prevent domestic abuse and all forms of violence against women, we are pleased that budgetary investment in 2015-16 contributed towards strengthening the legislative and policy framework on violence against women prevention in Wales. The enactment of the Violence Against Women Domestic Abuse and Sexual Violence (Wales) Act 2015 was accompanied by **investment in various work-streams** including, but not limited to:

- The Live Fear Free Helpline for sexual abuse and domestic abuse victims (women, men, children and young people). Welsh Women's Aid successfully bid for the contract to deliver this service, which runs over the next 5 years.
- The National Training Framework development, which includes delivery of the national 'ask and act' train-the-trainers programme for regional trainers to cascade this to public services. This 5 year training contract was awarded to Welsh Women's Aid national training service partnership, in December.
- The development of a suite of statutory guidance to inform implementation of the Act; currently being consulted on.
- Local domestic abuse coordinators and a national Ministerial Advisor position.
- *Supporting People* funding which continues to support refuge services and associated domestic abuse floating support provision in many areas across Wales, and which in some areas is supplemented by other local government grants.

1.2 The 2015-2016 budget(s) for violence against women, domestic abuse and sexual violence **also resulted in cuts to provision**, including to our own national services.

- In 2015/16, the Welsh Women's Aid *Children Matter* project, funded by Welsh Government within our core grant, was cut by 25% with the expectation that this could be picked by regional pathfinder commissioning processes. This did not happen and resulted in a restructure of the project, reduced capacity, and less local specialist services were able to deliver groupwork for children and young people affected by abuse.
- In 2015/16, our two directly-managed services were subject to a 10% cut in *Supporting People* grant; this followed previous funding cuts in North Wales.

1.3 Amongst our national membership of domestic abuse/violence against women services, the vast majority also bore the brunt of public authority cuts to their frontline services this year, ranging from 3%, 5%, 15%, 20% and in some cases 50-70% cuts to some funding streams. The impact of losing this funding was compounded for some services by the successive cuts – 25 to 35% - experienced over the last 3 years. Amidst these cuts, demand for support increases:

- In 2014-15, over 10,000 adult survivors were supported by specialist services and **at least 284 women in Wales could not be accommodated by refuges because there was no space available when they needed help.**
- In the first 6 months of this year, nearly 6,000 survivors were supported, **and 161 women in Wales could not be accommodated by refuges because there was no space available when they needed help.**

1.4 The vast majority of these specialist services across Wales already operate on shoestring budgets; the impact of these apparently small funding cuts is significant for small specialist providers and for the survivors that depend on them for lifesaving support. Feedback on the impact of in-year cuts from our membership of independent (third sector) providers of specialist domestic abuse refuges and associated support services, includes, for example -

- One service, which has been supporting 12 families in the refuge and local community for several years, only has a small amount of council funding for a domestic abuse support worker, to support children 2 days a week. From April this will be cut to zero. Having already experienced a 15% cut in refuge funding this year, they expect another 10% cut next year and fear closure as a result.
- Another service has 6 part-time staff supporting families accessing multiple refuges, a floating-support service and one-stop shop. Funding cuts this year means they have cut staff hours to the bare minimum, and cover the shortfall by their own dwindling charitable reserves, which cannot continue into next year.

- One service has experienced a 30% cut in their housing grant, which supplements their *Supporting People* provision, and will lose this funding from April despite receiving a 150% increase in referrals.
- Another service experienced a 3% cut in funds, which had a significant impact on its staffing and service model, which comprises 11 families and their children being supported by 3 part-time staff. Rather than cut services, these support workers continue to provide support to help women resettle in the community, but this work is now unfunded. Any further cuts will likely lead to service closure.
- One service receives around £10K from the public sector to support children affected by abuse across all its refuges and community outreach provision; this inadequate funding of children's support is not unusual. Unlike the rest of the UK, specialist services that have established refuges and community outreach provision do not have adequate funding for children's support services in most areas of Wales.
- A service that supports families in rural areas fears that any further cut to its recent 25% cut in funding will mean that families who live in isolated areas will lose access to support. They currently manage this on a voluntary basis; further reductions in funds will make this unsustainable. It costs services more to support families experiencing domestic abuse in rural areas due to travel and more extensive safety-planning work needed.
- Services in urban areas are also struggling. Many services tell us they are only funded by *Supporting People* for the direct contact-time with a client which limits the time they can spend with survivors and the length of support they can offer. This means their supervision and support, administration and monitoring, and other vital back-office functions go unfunded. This false economy also means that survivors are limited in the support they can access to meet their needs, and leads to revolving-door access to service provision.
- A service that experienced 6% cuts this year have been advised to expect a further 20% cut in *Supporting People* from April. They have already reviewed and restructured service models, cut staff salaries to the bare minimum and are not replacing staff when they leave. They told us: '*we have restructured and re-designed the whole organisation to manage the cuts... but we are stretched almost to breaking point*'. Any further loss to their funding will mean parts of their service will close.
- Many services, that for years have provided needs-led support, now fear that cuts to their provision will mean survivors who most need specialist services because of their high-levels of support needs, are those least likely to be able to access help in future. This includes multiple support needs associated with experiencing domestic abuse, mental ill-health and problematic substance use; survivors who have insecure immigration status and/or no recourse to public funds; survivors who have multiple experiences of abuse and need support for its associated trauma; survivors with additional language support needs; young people being abused in their own teenage relationships, and women who have been abused and who are also involved in the criminal justice system.

1.5 **Funding decisions about resourcing specialist services at a local and national level in Wales in 2015-16 was at odds with decisions made in Westminster in 2015-16.** In England, £13.2m was allocated this year by the Treasury to ensure English refuges' capacity was maintained to counteract years of local commissioning which had previously reduced the domestic abuse sector in England. A further allocation of £40 million for services for victims of domestic

abuse was also announced; a tripling of the dedicated funding provided compared to previous years. It was also announced that an additional £15 million a year will be ring-fenced to fund women's health and support charities over the course of the UK Parliament. There has been no equivalent ring-fenced allocation for refuge or other women's services in Wales, and instead of a tripling of funds to specialist provision there has been a year-on-year funding cut for the majority of local specialist services in Wales. It is not yet clear how women's services in Wales can access the designated £15 million a year from 2016.

- 1.6 **Funding decisions about resourcing specialist services at a local and national level in Wales in 2015-16 was also at odds with decisions made at a European level.** The recent *European Directive on Victims' Rights*, from November, includes obligations for states to ensure the provision of specialist services for victims of domestic abuse and other forms of violence against women. Further, the *Council of Europe's Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention)* requires the UK to provide "an adequate geographical distribution [of] immediate, short- and long-term specialist support services to any victim subjected to any of the acts of violence covered by this Convention [including] ... specialist women's support services to all women victims of violence and their children."
- 1.7 **Funding decisions at a national level also appear at odds with local decisions on funding specialist services in Wales.** At the same time as local decisions are being made to reduce the capacity of specialist services, or put services out to tender to replace them with generic provision, Welsh Government funded Welsh Women's Aid to develop several significant pieces of work nationally in 2015-16, including for example:
- Delivery of Welsh Women's Aid National Quality Service Standards, an accreditation framework for specialist services that aligns with other UK frameworks and evidences the quality of local provision. This is currently being piloted and will be rolled-out from 2016.
  - Development of an early intervention and preventative service model to achieve 'change that lasts', which will deliver needs-led, strengths based and trauma informed service models, that places survivors and specialist services at the centre of a community approach to deliver early intervention and prevention. The cost savings to the state of delivering this service model is evident through case studies (see Appendix One).
- 1.8 **Funding decisions at a local level are also at odds with the new legislative framework.** Whilst we welcome national implementation of legislation that introduces a new statutory duty on public authorities to prevent domestic abuse, sexual violence and other forms of violence against women, the Act places increasing responsibility on public authorities to identify and refer survivors to specialist services. It introduces a national framework to encourage more agencies to 'ask and act' and will increase awareness of the need for specialist support. Accompanying forthcoming statutory guidance on training and a whole education approach to prevention is also expected to encourage local public services, schools and youth services to refer survivors, including children and young people, to specialist services in local communities. The scope of national statutory commissioning guidance was consulted on in 2015/16, which we expect will be delivered from 2017.
- 1.9 However, as outlined above, local commissioners are already enacting cuts to specialist services which have been supporting families and communities affected by domestic abuse and other forms of violence against women for 40 years. We are concerned that **the specialist domestic abuse and sexual violence sector in Wales may be severely depleted or even non-existent by the time statutory commissioning guidance for specialist services comes into effect in 2017. If these services are lost, lives will be lost.**

**2 Looking at the draft budget allocations for 2016-17, do you have any concerns from a strategic, overarching perspective, or about any specific areas?**

- 2.1 At a strategic level, we appreciate Welsh Government has had some difficult financial decisions to make, and we agree with the focus on prevention and early intervention across priority areas: health and social services; educational attainment; supporting children, families and deprived communities, and growth and jobs. We also look forward to the use of a common definition of *preventative spend* to be agreed with the third sector, and we would welcome the opportunity to pilot what this would achieve for violence against women prevention in Wales.
- 2.2 We also support the need to embed into the budgeting process the 5 ways of working (integration, involvement, collaboration, prevention and long-term thinking) and 7 well-being goals (prosperity, resilience, health, equality, cohesive communities, culture and global responsibility) that are aligned with the Future Generations Act. At a national level, we are also pleased to see that the *Supporting People Programme* has been recognised as a key priority and protected in next year's budget with an allocation of £124.4m. Our membership, specifically survivors of violence and abuse, benefit from *Supporting People* and we welcome its continuation.
- 2.3 However, there is no guarantee that the national protection of *Supporting People* resources will mean local domestic abuse services retain their *Supporting People* funding. We remain concerned that specialist domestic abuse and sexual violence services in Wales, and the survivors that rely on them, face a postcode lottery dependent on whether local commissioners prioritise these services. These services include a range of needs-led and gender responsive approaches such as refuge and emergency housing, 'floating' community support, community-based advocacy, children's services and more. Most refuge services in Wales have low annual turnovers - significantly lower than their English counterparts - and any further cuts to services in 2016/17 will result in detrimental, possibly life-threatening, consequences for survivors of abuse.
- 2.4 Despite the announcement from Welsh Government that *Supporting People* will be protected, many of our members are still uncertain about their funding position and have either not yet been informed about funding decisions from April 2016 or have been told – despite national protection of *Supporting People* budgets – local domestic abuse provision can expect cuts in some areas of between 10-20%.
- 2.5 We also share concerns expressed by *Cymorth Cymru*, about the reduction in the Homelessness Grant, which aims to prevent homelessness. In some areas, this grant is used to fund domestic abuse provision which delivers savings to statutory budgets like housing, social care and health. Cuts to this grant combined with cuts to local *Supporting People* allocations will mean the sustainability of many local specialist services will be affected.

**3. What expectations do you have of the 2016-17 draft budget proposals? How financially prepared is your organisation for the 2016-17 financial year, and how robust is your ability to plan for future years?**

- 3.1 At the time of writing, Welsh Women's Aid has only 30% of its public sector funding confirmed from April 2016, which includes government contracted services (Live Fear Free Helpline and Ask and Act Training). As with all refuge-based domestic abuse services and violence against women services across Wales, our direct services for survivors in North

Wales have also not had funding confirmed from April (from various commissioners). Furthermore, our core grant from Welsh Government (already cut by 25% this year for *Children Matter* project delivery) remains unconfirmed from April.

- 3.2 Welsh Women's Aid core funding from Welsh Government is vital for the continuance of support to specialist member services in Wales. The funding enables us to help specialist services and local partnerships to develop and improve service delivery to survivors in Wales. This is achieved by providing policy and service updates, consultancy support on commissioning frameworks and service models, learning and development courses/materials and updates, statistical information and data reporting to inform needs assessments, consultation opportunities, survivor engagement, Children Matter preventative programme, and quality standards and accreditation for specialist services in Wales. We also support Welsh Government and statutory authorities with regards expert feedback on all aspects of violence against women issues. This includes development of guidance to support legislative delivery; needs assessments and commissioning models for effective early intervention and prevention work; and on needs-led service delivery models (Change That Lasts).
- 3.3 Last year in Wales we supported specialist services that between them made sure that over 10,000 adult survivors and nearly 4,000 children and young people were provided with refuge and community based advocacy and support by domestic abuse services in Wales; and our national Helpline received over 28,000 calls in 2014/15. Our highly experienced team have been successful in proactively raising additional funding from charitable trusts and foundations to support the Welsh Government strategy to improve services to survivors through capacity building for specialist services. Together, we aim to maximise financial and social value whilst ensuring specialist services enable survivors to achieve independence and freedom from abuse in Wales. We continue to make every effort to diversify our income but would not be able to continue with the level of support and development work we provide without core funding from Welsh Government.
- 3.4 At a local level, as outlined above, the expected budget cuts within specialist domestic abuse/violence against women services range from between 10-20% (*Supporting People*) and some public sector funding streams (like housing grants or small grants for children's support) will, we are told, be cut from specialist services altogether. The majority of specialist services that are cut will be significantly impacted: services that are already paying support workers from reserves, or that have already reduced staff hours to a minimum, will face closure if existing funding is not protected.
- 3.5 Planning for future years in domestic abuse/sexual violence services that are reliant on annual public authority funding is impossible to achieve for many services. Whereas policy and legislation focusses on long-term approaches to decision-making, this is not supported by a corresponding long-term approach to funding the third sector. Specialist domestic abuse services at present do not know what funding they have from April. The current funding climate for small specialist providers presents significant challenges with regards strategic business planning, service delivery and development and income diversification.
4. **The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?**

We have commented below on the areas that most closely relate to our core business.

## Local health board financial arrangements

- 4.1 We are pleased to note that continuing to invest in the NHS to drive up standards, improve outcomes for patients and secure a sustainable, universal health service for the people of Wales is a priority. We also support increased investment into mental health and services for older people. We would like to see greater join up between health, social care and housing budgets, and how violence against women prevention is addressed strategically across these sectors. We **recommend that Ministers ensure NHS and social care investment enables these agencies to play a greater role in the prevention of domestic abuse, sexual violence and other forms of violence against women.**
- 4.2 Domestic and sexual violence and abuse has major public health implications, and represents an enormous cost to the NHS. The close link between such abuse and mental and physical ill-health, children's safety and wellbeing, plus the positive results of working in partnership, make it even more important that the NHS recognises and acts upon its responsibilities in this area. The NHS spends more time and money dealing with the impact of violence against women and children than any other agency, so action to tackle the causes and consequences of such violence is therefore not only cost-effective but contributes to the health and wellbeing of the population.
- 4.3 Therefore, in order to effectively achieve a healthier Wales, to reduce health inequalities, to close the gap in health outcomes and achieve a more equal Wales, it is vital that health and social care budgets prioritise early intervention and prevention of domestic abuse, sexual violence and other forms of violence against women. As a starting point, for example, and to demonstrate integration, involvement, collaboration, prevention and long-term thinking across Government, **Welsh Government funding arrangements in 2016 should require Public Health Wales, the Welsh Ambulance Service Trust, and the 7 Health Boards in Wales to:**
- **Commit to delivering a public health approach to preventing domestic abuse, sexual violence and other forms of violence against women.** This should involve transforming how policies and programming address this issue, in order to prevent it from occurring in the first place by directing policies and strategies towards changing the underlying causes, behaviours and attitudes that lead to the perpetration of violence against women. Key underlying determinants and contributing factors in its perpetration include inequality between men and women; cultural and social norms and practices and weak sanctions; and lack of access to resources and support systems.
  - **Commission the IRIS programme for health services and independent (third sector) specialist services** to deliver essential care pathways for all adult patients living with abuse and their children. In order to commission the IRIS model at a local level a minimum financial investment of approximately £70,000 is required for year to support general practice. Ultimately IRIS improves the quality of care for patients experiencing abuse and fulfils the moral, legal and economic case for addressing domestic abuse in general practice (2).
  - **Implement the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act associated guidance and the NICE Domestic Violence and Abuse Guidelines (PH50 2014)** which contain 17 recommendations for everyone working in health and social care whose work brings them into contact with people who experience or perpetrate domestic violence and abuse (3).

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<sup>2</sup> <http://www.irisdomesticviolence.org.uk/iris/commissioning/>

<sup>3</sup> <https://www.nice.org.uk/guidance/PH50/chapter/1-Recommendations>

### Approach to preventative spending

- 4.4 The short-term false economy of cutting funding to specialist services at a local level fails to recognise that the cost of dealing with just one domestic violence homicide exceeds most of these services' annual budgets. The cost of domestic abuse alone in Wales is £826.4m annually (in service costs, lost economic output and human and emotional costs).
- 4.5 This short-term false economy also fails to acknowledge that these services collectively have expertise in protection, provision and prevention, built up over four decades. It is these services that the public sector are reliant on to refer survivors to when they identify violence and abuse; to support and advocate for survivors to help them navigate the myriad of statutory systems that fail to meet their needs; to advise public services on how prevention can be achieved and to deliver community engagement work to promote prevention.
- 4.6 Investing in tackling violence against women prevention, therefore, is a cost effective approach and resources to do this should be protected nationally. Even a small increase in the cost of providing specialist services is outweighed by the decrease in the costs to public services, lost economic output and the decrease in the human and emotional costs<sup>4</sup>. Incorporating requirements to prevent violence against women into and across all main budgets will help ensure:
- A prosperous and healthier Wales: responding effectively to abuse achieves better health outcomes and domestic abuse and sexual violence impacts on the productivity of employees and businesses. Domestic abuse alone costs the Welsh economy £100.9m in lost economic output each year.
  - More resilient, equal and cohesive communities: many women and girls are not able use public spaces with the same freedom as men and boys; actual and threatened violence and abuse constrains and limits women's and girls' choices, routine decision-making and behaviour in everyday life. Tackling violence against women will lead to safer communities, challenge stereotypes and social stigma, which in turn will promote inclusiveness and better community ties.
- 4.7 In order to become a productive and prosperous nation, with a highly skilled workforce and an economy that is globally competitive, it is vital that public and private sector employers are equipped to better respond to domestic and sexual abuse in the workforce. ***Welsh Government should promote the business case for violence against women prevention amongst all providers/contractors in receipt of Government investment, requiring them to:***
- Ensure they demonstrate corporate social responsibility by creating workplace policies, and training and educating employees on domestic and sexual abuse.
  - Promote and/or provide access to support for victims, and take action against perpetrators.
  - Exert leadership in local communities by supporting specialist services and promoting preventative campaigns and equality between women and men.

### Sustainability of public services, innovation and service transformation

- 4.8 We support the priority given to support local authorities. However the approach taken, to invest in core budgets rather than through ring-fenced grants, has the potential to have a detrimental impact on public authority grants to violence against women third sector services. Several specialist services in Wales have told us that local authority cuts to their

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<sup>4</sup> Walby, S. (2009) The Cost of Domestic Violence: Update 2009. Lancaster: Lancaster University.

grant funding are made in order to prop up statutory provision. They also report that the value of partnerships with specialist independent providers like domestic abuse services is not recognised in many local authorities, where they are either quick to cut services and deliver similar provision in-house, or reduce specialist provision in order to contract with one large generic provider. Funding for domestic abuse and sexual violence services needs to be protected in the current financial climate.

4.9 ***We strongly recommend that the budget also prioritises the sustainability of the independent third sector (as well as the public sector), especially small specialist providers like domestic abuse/violence against women services.*** Women supported by our membership often face multiple discrimination and disadvantages based on their identities and life experience, including unemployment, low pay, housing problems, poverty or mental health issues. Women with severe and multiple disadvantage value women-only services to help them build resilience and recover from abuse or other adverse childhood experiences. The WEN Wales Women and Multiple-Disadvantage Survey (2015) – completed by 47 organisations and projects across Wales that support disadvantaged women – identified “a bleak picture of a worsening situation in which the cumulative effects of austerity, decreased funding, public sector cuts and welfare reform are contributing to disadvantage.”<sup>5</sup> Successive evidence demonstrates the added value small specialist services can provide, and it is predominantly voluntary sector organisations that hold many of the values, ideas and approaches that will equip Wales to deliver innovation and transformation. Yet balancing demand against income is increasingly difficult; this is particularly marked in Wales where only 38% of charities think they will be able to continue doing this in the coming years.<sup>6</sup>

4.10 We welcome the intent to develop service delivery models which prevent or reduce the need for more costly state interventions, and we agree that innovation and service transformation is vital if we are to effectively prevent violence and abuse. However ***we also recommend investment should also be targeted at systems change and transformation (as well as public service innovation).*** Systems-change is being advocated by voluntary sector services like Welsh Women’s Aid and others, because at present, government-led systems across public services have developed to only be able to respond to one ‘need’ at a time, which in turn generate perverse situations where some of those in greatest need receive the least help. A government and public-sector led focus on interventions and co-ordination has also provided a distraction from the need to fundamentally reform existing systems:

“One solution that we like to generate is case coordination, where people are employed to help vulnerable individuals navigate the maze. This can reach surreal levels of inefficiency...The systems themselves aren’t required to change, they are just subject to the brokerage, advocacy and special pleading of professionals employed to champion the most disadvantaged. In other words, we employ one set of workers to try and persuade another set of workers to do the right thing”<sup>7</sup>

4.11 Nowhere is this more evident in systems set up to respond to domestic abuse. In many cases, survivors of abuse are being failed by systems that are created to serve agencies, and not improve the lives of survivors of abuse; a focus on risk has been accompanied by a reduction in needs-led responses, and a growing crisis of unmet need. If inter-related systems were changed to meet survivors’ needs from the outset, then resources would be saved and survivors of abuse would achieve a much greater positive benefit from their interaction with

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<sup>5</sup> <http://www.wenwales.org.uk/news/women-and-multiple-disadvantage-survey-summary-of-key-findings/>

<sup>6</sup> Lloyds Bank Foundation (2015) Expert yet Undervalued and on the Frontline  
[http://www.lloydsbankfoundation.org.uk/assets/uploads/Expert\\_Yet\\_Undervalued\\_-\\_Grantee\\_Opinion\\_Survey\\_2015\\_WEB.PDF](http://www.lloydsbankfoundation.org.uk/assets/uploads/Expert_Yet_Undervalued_-_Grantee_Opinion_Survey_2015_WEB.PDF)

<sup>7</sup> Julian Corner (2013) Why Our Public Services Need System Change’, Lankelly Chase.

public authorities. To support a systems-change approach that transforms services **we recommend Welsh Government should ensure budgets support delivery of multi-agency statutory guidance that delivers systems-change and ‘change that lasts’; prioritising needs-led strengths-based delivery that places survivors of abuse at the centre of any intervention** (see appendix).

#### **Welsh Government policies to reduce poverty and mitigate welfare reform**

- 4.12 We support the vision for a more equal Wales, and action to tackle the causes and effects of poverty, the creation of cohesive communities where everyone has the support they need to live healthy, prosperous and independent lives.
- 4.13 However we recommend that **Welsh Government should ensure budgetary investment targeted at reducing poverty and mitigating welfare reform proactively addresses violence against women prevention and the negative impacts these have on women and children.** Evidence shows that female lone parents and single pensioner households will experience the biggest drop in living standards as a result of cuts to public services compared to other households. This is in addition to analysis by the House of Commons library which shows that of the £16bn in savings announced since the 2015 general election, three quarters will come directly from women<sup>8</sup>.
- 4.14 As one of several examples of how women as survivors of abuse are particularly impacted by welfare reform, the spare room subsidy has potentially life-threatening implications for women whose homes have been fitted with ‘sanctuary schemes.’ A judicial review was recently launched by a woman whose council home had been fitted with a secure room to protect her from a violent ex-partner and who was set to lose £11.65 a week from her benefits because she was deemed to have a spare room.<sup>9</sup> This followed evidence last year that revealed 1 in 20 households across England using the sanctuary scheme had been affected by the spare room subsidy.<sup>10</sup> We do not want women in Wales to face the same dangerous situation.

#### **Impact of the Welsh Government’s legislative programme and whether its implementation is sufficiently resourced**

- 4.15 Positive steps have been taken in Wales to introduce the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015. It is anticipated that improvements to identifying violence against women by public services (as outlined above) will lead to increased demand on specialist services without addressing the geographical and funding gaps in provision of services.
- 4.16 At a time when the demand for refuges and other specialist services is expected to increase still higher, it is deeply worrying that such lifesaving services do not have sustainable funding to protect and support the most vulnerable women and children in Wales.

*‘We feel this would result in adding further strain to an already busy service both refuge and drop in /community.’ (specialist domestic abuse service)*

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<sup>8</sup> Women’s Budget Group response to spending review, 2015.

<sup>9</sup> <http://www.theguardian.com/society/2014/nov/18/panic-room-woman-challenges-bedroom-tax>

<sup>10</sup> <http://www.theguardian.com/news/datablog/2014/mar/14/bedroom-tax-domestic-violence-protection-scheme>

*‘Refuge is a resource that is already oversubscribed,— for example just today we had 6 requests from women for a refuge room which would accommodate one woman and 3 children, including by women accessing our drop in service.’ (specialist domestic abuse service)*

- 4.17 We urgently need consistent national and local commitment by funders, to sustain specialist services that work to prevent domestic abuse and other forms of violence against women in Wales. ***The recent legislative commitment by the Welsh Government must now be accompanied by a commitment to sufficiently fund the protection and support of survivors of domestic abuse, sexual violence and other forms of violence against women.***

#### **Welsh language, equalities and sustainability**

- 4.18 We welcome the commitment made to continue to resource Welsh language provision amongst key services, and also welcome the Government’s commitment to delivering Equality legislation duties.
- 4.19 Violence against women and girls is a human rights violation. One in every three women worldwide experiences physical and/or sexual violence at least once in their lives, usually by an intimate partner. United Nations (UN) Secretary–General Ban Ki-moon has proclaimed the elimination of violence against women as a top priority of the UN’s work and achieving “gender equality and empowering women and girls” is one of the Goals of *Agenda 2030 for Sustainable Development*, adopted by the 193 member states of the UN during the annual General Assembly (25 September 2015). One of the important targets of the goal is the elimination of all forms of violence against women and girls and the need for specialist women’s services to support survivors.
- 4.20 Black and minority organisations that support survivors of violence and abuse are most vulnerable to cuts and closure, even though they are well known in the communities they serve and have the highest numbers of women approaching them directly, rather than being referred on by police, social workers or others. Bigger, more generic services are rarely able to achieve this profile or these ‘self-referrals’. In work to eliminate violence against women, particular attention should be given to the rights and needs of women and girls facing multiple forms of discrimination, including women of ethnic minorities and with immigrant and/or refugee status, survivors of trafficking, women living in poverty, disabled women, LGBT+ women. In every case the inclusion of women’s voices is imperative in efforts to prevent or mitigate such violence.
- 4.21 We urge Welsh Government, through its budgetary processes and associated legislative and policy frameworks, to commit to contributing to the realization of equality between women and men and to the elimination of all forms of violence against women, which will transform the lives of women and girls in Wales. To achieve this, ***we recommend Welsh Government should ensure budgets deliver sufficient specialist women’s refuge spaces in Wales to meet the needs of women and children and a national network of independent specialist women’s services to support women and children to achieve independence and freedom from abuse.***

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Any comments or questions regarding our response can be directed to:

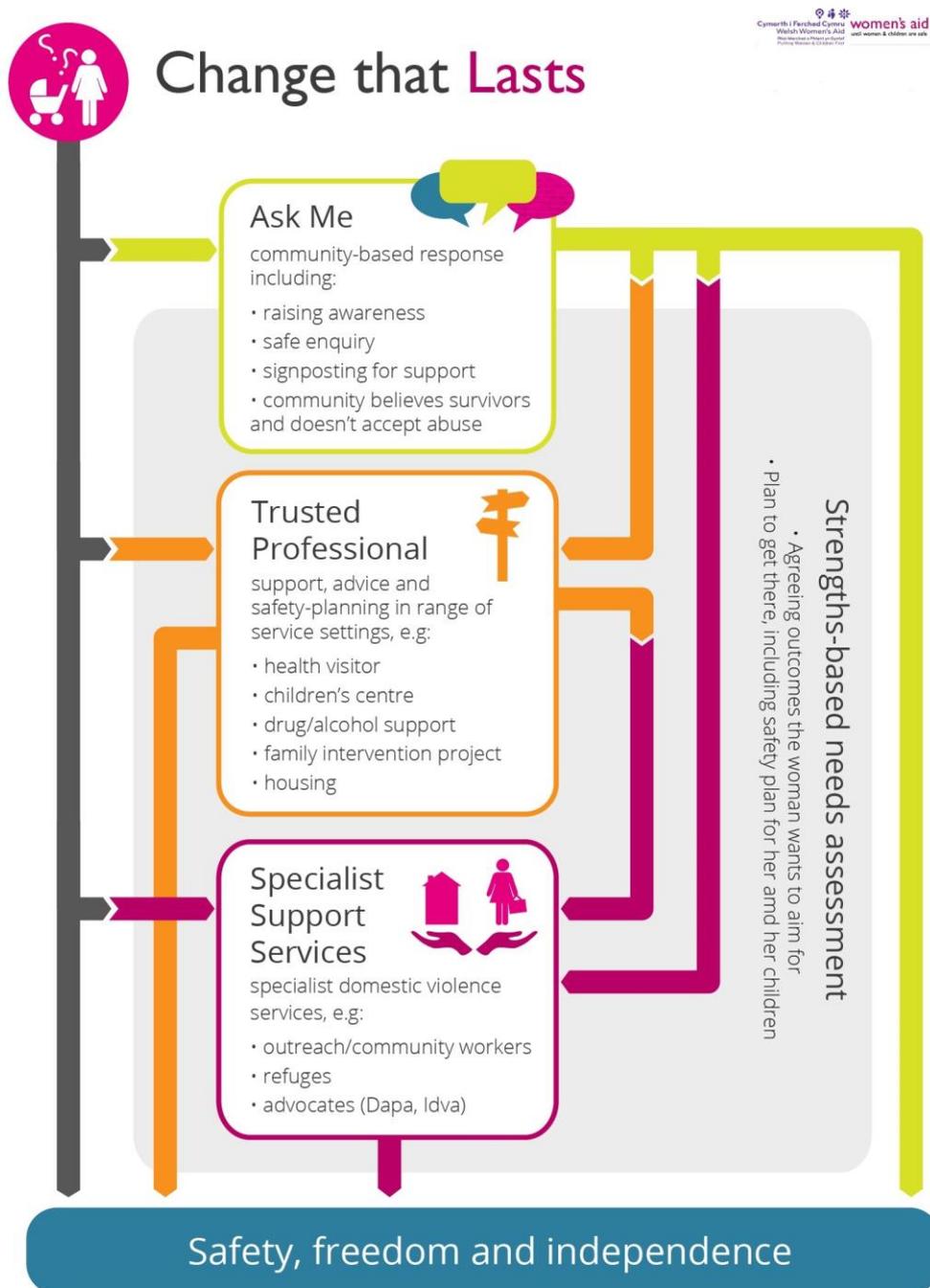
Alice Moore – Campaigns and Communications Officer

02920 541 551

[AliceMoore@welshwomensaid.org.uk](mailto:AliceMoore@welshwomensaid.org.uk)

**Appendix One: Change that Lasts service model to achieve early intervention and prevention**

Welsh Women’s Aid and Women’s Aid (England) have worked in partnership to develop a new, cross sector model response to domestic abuse and violence against women: Change that Lasts. In partnership with services and key national stakeholders from many related fields, we have reviewed current approaches and the systems in place and have developed a cross-sector common approach that places the survivor at the heart and builds responses around her needs and the strengths and resources available to her. **Change that Lasts is a strengths-based, needs-led model that supports domestic violence survivors and their children to build resilience, and leads to independence.**



## ***Change that Lasts Case study (domestic abuse): Yasmin's journey***

The true story of a domestic violence survivor, and what could have been, with needs-led intervention.

### **This is what actually happened.**

Yasmin has always suffered from OCD and depression. She meets her partner in 2012 and moves in soon after. After 4 months the abuse starts when she discovers he is a heroin addict. After the first violent instance she attends Accident and Emergency.

At this point there was an opportunity for needs-led intervention, for someone to ask and act, for a referral to specialist support and help. Instead Yasmin is sent home with painkillers.

He beats her regularly. She sees A&E every fortnight. She calls the police more than 50 times but doesn't find their responses helpful. **The total cost of this is £102,938.**

Eventually she is referred to the local housing team. She is housed near the perpetrator **at a cost of £5,300**. He regularly breaks in until she agrees to move back in with him. After she moves back in, the violence starts again and he begins injecting her with drugs against her will. He tries to burn down the house with her inside. She escapes; at this point the perpetrator's behaviour assessed as 'high risk'. A MARAC meeting, **costing £11,900**, considers her case and decides to move her temporarily and put panic alarms in a new property. The cost of rehousing her and adding the alarms **is £5,752**.

He breaks in and the downstairs alarm fails. He holds her hostage, repeatedly raping and injecting her. After 5 days she makes it upstairs, and sets off the alarm upstairs. He is arrested but escapes a custodial sentence.

She is moved and now lives in supported housing at a cost **of £47,323.50 a year**, because she cannot live independently; her mental health has deteriorated and she is addicted to prescribed and other drugs she was forced to take. She cannot contact friends or family in case they lead him to her.

**The total fare for Yasmin's journey is £2,018,943.**

### **With needs led intervention at A & E the story could have been different.**

When Yasmin first attends A & E, staff call the police and a nurse refers her to the Domestic Abuse Support Worker from the local specialist domestic abuse service, co-located in A&E at **a cost of £648**.

She is kept safe in hospital overnight until she can be moved to a women's refuge. The overnight stay **costs £1,779**.

The refuge helps her talk about the abuse she experienced, and because she's in a safe place she also speaks about abuse as a child. They help her with counselling and mental health support. Her stay at the refuge advocacy and mental health support **costs £11,160**.

After 6 months she moves into private housing where she regularly sees family and friends.

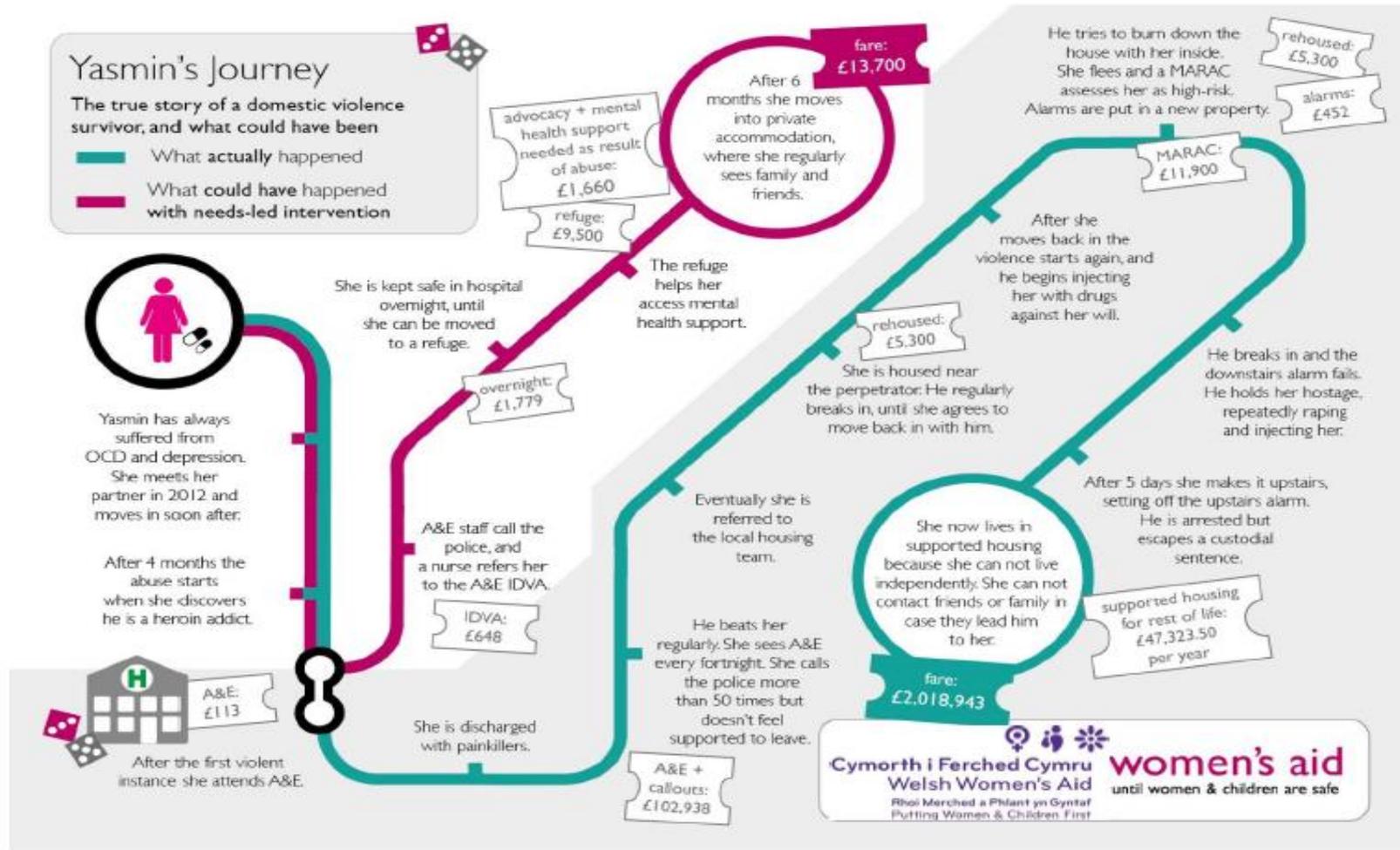
The total fare for **Yasmin's journey could have been £13,700**.



# Cymorth i Ferched Cymru Welsh Women's Aid

Rhoi Merched a Phlant yn Gyntaf  
Putting Women & Children First

Tudalen y pecyn 114



Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref

Ein cyf/Our ref MA-P-1425-15

Jocelyn Davies AM  
Chair, Finance Committee  
National Assembly for Wales  
Cardiff  
CF99 1NA

7<sup>5</sup> January 2016

*Dear Jocelyn,*

Following my appearance at Finance Committee on 9 December, I agreed to provide clarification on a number of issues that were raised, the majority of which relate to points of detail regarding budget movements within Main Expenditure Groups (MEGs). I also agreed to provide further clarification on the approach to the presentation of the Budget in order to enable meaningful comparisons to be made.

Firstly, turning to the impact of budget reductions on specific budget lines:

- The Welsh Language Spending Programme Area (SPA) within the Education and Skills MEG comprises both the Welsh in Education Action and the Welsh Language Action. The overall budget for Welsh Language is the combined total of both of these Actions. As set out in the MEG Action Tables accompanying the Budget documentation, the overall change at the SPA level is 5.9 per cent. While the Welsh Language Action has reduced by £1.685m, this comprises a transfer of £825k to the Welsh in Education Action. This transfer reflects a reprioritisation of fund within the overall Welsh Language SPA to develop a more strategic approach to language acquisition for 0-4 age group.
- Within the Economy, Science and Transport MEG, the overall net impact of budget changes and reprioritisations within the Museums, Archives and Libraries capital Spending Programme Area is £70k in 2016-17. This is as a result of the repayment of Invest to Save funding. There is no impact on the funding available for the developments at St Fagan's and we are investing a further £1m in support of this project in 2016-17, fulfilling our financial commitment; and

- We discussed at Committee the reduction of £524k to the Homelessness Prevention Action within the Communities and Tackling Poverty MEG. As set out in the Minister for Communities and Tackling Poverty's response to WAQ69580, while this represents a reduction to the Homelessness Prevention budget, the Minister for Communities and Tackling Poverty will be making available an additional £2.2m to local authorities in 2016-17 to support the implementation of the new homelessness legislation, central to which is preventing homelessness.

Turning to the way we have presented the numbers in the Budget this year, the approach we have taken is consistent with standard practice. We have used the latest published figures, adjusted to remove non-recurrent allocations, to arrive at a baseline figure. On fiscal resource, the majority of the non-recurrent adjustments relate to invest-to-save investments. It is worth highlighting, however, that the health allocation of £84.6m made in the First Supplementary Budget 2015-16 remains in the baseline. With regard capital, the non-recurrent adjustments relate to capital allocations whereby in line with the Wales Infrastructure Investment Plan, capital is allocated for specific projects on a time-limited basis. As explained at Committee, if we had not removed the non-recurrent allocations, the budget position for 2015-16 would be artificially inflated and would distort the ability to make like-for-like comparisons.

A full reconciliation of the non-recurrent adjustments is provided at Annex C of the Budget narrative. In addition, and in line with our previous commitment to the Finance Committee, we have also highlighted the year on year changes affecting each MEG in Tables 6.1, 6.2, 6.3 and 6.4 in Annex B of the Budget narrative.

Finally, in terms of the distribution of the additional funding to the NHS, I indicated in my evidence that this is a matter for the Health and Social Services Minister to determine. I will write to you with further details on this once that information is available.

I hope this response is helpful.

*Beath Fisher,*  
*Jane*

**Jane Hutt AC / AM**  
Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business

# Eitem 9

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon