

Cyllideb Llywodraeth Cymru 2022-23 Ymatebion i'r ymgyngoriad

Rhagfyr 2021

Welsh Parliament
Finance Committee

Welsh Government Draft Budget 2022-23 Consultation responses

December 2021



Cynnwys / Contents

*Ar gael yn Gymraeg a Saesneg / Available in English and Welsh

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WGDB_22-23 03	Tŷ Hafan & Tŷ Gobaith	Tŷ Hafan & Tŷ Gobaith
WGDB_22-23 04	Cynghrair Twristiaeth Cymru	Wales Tourism Alliance
WGDB_22-23 05*	Cyngor Ysgolion Annibynnol Cymru	Welsh Independent Schools Council
WGDB_22-23 06	Barnados Cymru	Barnados Cymru
WGDB_22-23 07	Confederasiwn GIG Cymru	Welsh NHS Confederation
WGDB_22-23 08	Llamau	Llamau
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1 November 2021

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Welsh Government Draft Budget Proposals 2022-2023

I refer to the Committees of the Welsh Parliament seeking information to inform their scrutiny of the Welsh Government's 2022-23 Draft Budget proposals.

On Behalf of the Institution of Civil Engineers (ICE Wales Cymru) I believe that as our quality of life depends on infrastructure; that there would be little economic activity without energy generation and distribution, water supply and disposal, transportation by rail, road, sea & air and waste management that Wales needs a clear 'Vision for Infrastructure'. Further development of the Wales Infrastructure Investment Plan (WIIP) and the National Infrastructure for Wales are crucial to the delivery of sustainable and effective infrastructure in Wales. The National Infrastructure Committee for Wales has a remit for 5 years + issues and ICE will be pleased to work with the Commission on these issues.

The focus for the budget should be on:

Resilience:

I consider that the lack of overview of the vulnerabilities of Wales' infrastructure networks has created gaps in our approach to defending critical infrastructure. The interdependence of our infrastructure assets must be recognised with increased levels of information sharing and joint forward planning.
and establish the budget for this area.

Transport.

The Committee should consider if Wales has a safe, affordable, integrated, accessible and sustainable transport network that supports local and regional economic growth, productivity and a vibrant society together with supporting the Active Travel Act and the Towards Zero Target 2050:
and establish the budget for this area.

Energy:

Energy security is one of the key issues facing Wales and the UK today. – recognising the limit on devolved powers in this area.

The Committee should consider if Wales:

- Has sufficient supply of electricity to avoid interruptions.
- Is reducing the production of harmful emissions.
- Is promoting energy efficiency measures
- Has the necessary grid connections:

and establish the budget for this area.



The decision to cancel the Wylfa Newydd project is of great concern and will lead to lack of jobs and economic downturn together with a possible shortfall of energy.

Investment in sustainable forms of energy should be prioritised – to coincide with the Welsh Government's Towards Zero Carbon policies. Wales has a long coastline with the second highest tidal range in the world, opportunities to capture the potential energy should be maximised with tidal lagoons, barrages, wave and tidal energy.

Water and wastewater:

Wales has great potential to harness and benefit from its invaluable supply of water. Water is not only essential for communities, but for business and industry alike. The Committee should consider:

- How to produce innovative low carbon ways to transfer water across river catchments.
- How to Invest in and improve the existing water network – improving efficiency and security of service. Reservoirs must be upgraded to meet future water demand with a long term strategic plan for water resources in Wales.
- How to promote Wales' plentiful water supplies linked to inward development – domestic and commercial opportunities. Availability of water can be a business differentiator in some sectors.
- How to help the public to view water as a valuable resource to improve water:

and establish the budget for this area

Flood Risk management:

Effective flood risk management requires collaboration across a range of stakeholders. The Committee should consider:

- The development of a long-term capital and maintenance programme.
- Strategies to improve property and building resilience and create flood resilient communities:

and establish the budget for this area.

Waste management:

There must be a fundamental shift in the way waste is addressed. The Committee should examine how:

- Waste can be treated as a resource
- Wales can shift to a circular economy

and establish the budget for this area.

Skills:

The committee should examine if Wales has the right skills in place to address the current productivity lag, to improve infrastructure delivery and yield economic growth:

and establish the budget for this area.

Infrastructure Pipeline:

Wales needs a joined-up infrastructure vision for Wales, looking forward twenty-five years and developed through engagement with governments, clients, investors, operators and delivery teams.

I consider that effective engagement takes place with the construction sector and others involved in the development and delivery of infrastructure in Wales, as indicated by the establishment of an Infrastructure Commission for Wales and that its initial focus should be on development of infrastructure vision and pipeline (WIIP) together with a supporting understanding of skills/resources required. It would be useful for the committee to review work to date around the WIIP and engagement with the sector with a view to determining best practice and improvements for the future.

Digital Environment

Last year we recommended the need to transform Wales digital environment, this is now highlighted by the ongoing COVID pandemic. High speed, reliable and fast broadband is now urgently required to be rolled out across all of Wales. Working from home is clearly here to stay, albeit there will be a transition to a mix of some office and some home working. Reliance on the provision of high speed broadband in the urban communities is not acceptable.

Specific questions

In response to the specific consultation questions:

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Response: There is now great concern not just with the impact of COVID19 but many civil engineering companies in Wales have very limited forward programme. There is an increasing demand on funding across all sectors and services; continued investment in the infrastructure of Wales must continue as there is a well-established proven link between the economy of a country (Wales) and the condition of its infrastructure.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Response: whilst the priority must be in addressing the safety and health of the Nation, in view of the impact on the economy and businesses in Wales, continued investment in the infrastructure of Wales must continue. The problems exhibited in the M4 corridor around Newport are growing and urgent action is needed.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

Response: The Institution of Civil Engineers has gone through a fundamental restructure and is now well prepared for 2022-23. The increased switch to a virtual platforms has proved to be very successful. There is an increasing importance of professional skills and qualifications together with a growth in [Professional] Apprenticeships. Continued investment in infrastructure (and the skills of civil engineers) is required.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

Response: Transparency and scrutiny of budgets and decisions taken is vital, some of the current COVID 19 actions taken are not fully defined nor transparent.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

Response: The existing devolution settlement is unfair on Wales and additional funds are required.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

Response: Continued investment in the maintenance of the infrastructure of Wales is required to avoid future degradation and erosion. Planned asset management spending is necessary to avoid extremely costly reconstruction. Preventative spend should consider better asset management and the better use of data. Undertaking a lowest cost procurement strategy will not result in better value and lower longer-term preventative spend requirements.

- To what extent alleviating climate change should be prioritised in supporting economic recovery.

Response: There are three points that should be considered in respect of this specific area,

First ICE Wales Cymru has a main priority of addressing Climate Change and meeting the Zero Carbon targets.

Secondly, the impact on climate change has a major bearing on Flood Risk Management - all forms not just coastal. Whilst continued investment is clearly a priority, in several coastal locations some form of adaptation is required to the way in which shoreline being managed and there is complexity associated with managing change and how it may affect communities, where the very simple terms, such as managed realignment, funding for adaptation is required and where flooding has occurred, a change made to the style and format of rebuilding.

Third, Wales is rich in sustainable potential energy supplies – tidal, wave, wind and PV; these opportunities must be maximised with additional Planning powers devolved to give the Welsh Government power over its policies.

- How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

Response: Health and Education is always a priority but spending in these areas should be balanced the other areas identified.

- Welsh Government policies to reduce poverty and gender inequality.

Response: All Welsh Government Departments need to work coherently in delivering this strategy. Money spend in infrastructure may have a better return in providing jobs and long term prosperity, leading to better health. Vital sectors would include transport, water, flood risk management, sanitation and energy.

- Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Response: Continued investment in the maintenance of the infrastructure of Wales is required to avoid future degradation and erosion. Planned asset management spending is necessary to avoid extremely costly reconstruction. Preventative spend should consider better asset management and the better use of data. Producing a policy on Building Information Management will deliver enhanced preventative spend. Undertaking a lowest cost procurement strategy will not result in better value and lower longer-term preventative spend requirements.



- Sustainability of public services, innovation and service transformation.

Response: This is a vital area as we move into climate change and the need to make considerable changes to the modal split of transport movements - more walking, cycling and using public transport. The budget should be spent on issues that support and direct the Welsh economy in a sustainable manner

- How evidence is driving Welsh Government priority setting and budget allocations.

Response: The Welsh Government need to provide case studies and examples of how evidence is driving policy. It is necessary to develop and maintain the Welsh Infrastructure. ICE would be delighted to assist in the development of the evidence base and work with the National Infrastructure Commission for Wales to this goal.

- How the Welsh Government should use taxation powers and borrowing.

Response: These funds should be used to invest in the skills and infrastructure of Wales. Wales should look at the potential for Development Taxation, for example the Welsh Government taxes development following an initial catalyst investment in infrastructure to allow development to occur.

- What specific support for businesses, economic growth and agriculture related to post EU transition.

Response: It is vital that funds are secured to invest in the vital infrastructure of Wales – the Nation had received major structural funds and alternative sources of funds will be required; there are major issues relating to the skills agenda including funding for education & research, the ability to resource the necessary skills; and issues related to rules and regulations: simplistically Wales / the UK should examine the impact of European Legislation and adopt those with a positive benefit to Wales and discard those with a negative impact.

- What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)?

Response: ICE Wales Cymru is a strong supporter of the Wellbeing of Future Generations Act and would be delighted to see the evidence when available. There should be better use of data and having that data open to scrutiny will allow a better understanding of the long term effects and trends of the Future Generations Act. Infrastructure should be 'fit for purpose' with long term sustainability in-built in the design, including whole life costs.



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Chartered Environmentalist / Amgylcheddwr Siartredig

Director Wales / Cyfarwyddwr Cymru

Notes:

Founded in 1818, the Institution of Civil Engineers (ICE) is a UK-based international organisation with over 95,000 members, ranging from students to professionally qualified civil engineers. As an educational and qualifying body, with charitable status under UK law, we support our members throughout their careers, and help society to have trust and confidence in infrastructure professionals. Under our Royal Charter, ICE has become recognised worldwide for its excellence as a centre of learning, a public voice for the profession and a leading source of expertise in infrastructure and engineering policy.

**TO
DYFO**

DYFODOL I'R IAITH

SYLWADAU AR GYFER:

CRAFFU CYLLIDEB DDRAFFT LLYWODRAETH CYMRU

Cyswllt:

Ruth Richards

Prif Weithredwr

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Dyfodol i'r Iaith

Mae Dyfodol i'r iaith yn fudiad amhleidiol sy'n gweithredu er lles yr iaith Gymraeg. Nod y mudiad yw dylanwadu drwy ddulliau cyfansoddiadol ar sylwedd a chynnwys polisiâu cyhoeddus a deddfwriaeth er mwyn hybu twf a ffyniant y Gymraeg ym mhob maes polisi. Bydd yn gweithredu er budd Cymru a'i phobl, gan ennill cefnogaeth a pharch i'r iaith a sicrhau bod y Gymraeg yn fater byw ar yr agenda gwleidyddol.

Croesawn y cyfle hwn i rannu ein sylwadau ar Gyllideb Ddrafft Llywodraeth Cymru a noder fod yr holl sylwadau canlynol yn ymwneud â blaenoriaethau gwariant ar dwf a ffyniant y Gymraeg:

Gwariant ar dwf addysg cyfrwng Gymraeg

Mae'r Llywodraeth eisoes wedi ymrwmo i greu miliwn o siaradwyr y Gymraeg erbyn 2050. Mae sicrhau twf teilwng a chyfatebol mewn addysg cyfrwng Gymraeg yn gwbl hanfodol er mwyn cyrraedd y nod hwn. Byddwn yn pwysleisio, felly, bod angen cynllunio gwariant digonol a phwrpasol i'r perwyl hwn, gyda sylw penodol i'r canlynol:

i) Sicrhau Gweithlu Addysg Cymwys

Ni fydd modd cynnal twf mewn addysg Gymraeg heb weithlu sy'n gallu dysgu a chynnig cefnogaeth drwy gyfrwng y Gymraeg. Credwn mai'r cam cyntaf ac amlycaf yw sicrhau digon o staff sy'n gallu dysgu'n hyderus drwy gyfrwng y Gymraeg er mwyn cynnal y twf angenrheidiol. Gwyddom ar hyn o bryd nad oes digon o athrawon, gofalwyr na chynorthwyon all ysgwyddo'r dasg.

Byddwn felly yn galw am flaenoriaeth i ariannu ymgyrchoedd recriwtio ymysg siaradwyr Gymraeg yn ogystal â buddsoddi'n sylweddol mewn dysgu a gwella Cymraeg y sawl sydd un ai'n gweithio yn y maes eisoes neu sydd â diddordeb mewn ymuno a'r gweithlu addysg.

ii) Cymorth i ddysgu'r Gymraeg

Dylid felly clustnodi gwariant sylweddol er mwyn sicrhau gwersi Gymraeg i weithwyr y sector addysg. Os yw'r gwariant hwn am gael gwir effaith, yna bydd rhaid iddo gefnogi hyfforddiant, nid yn unig i athrawon, ond hefyd i weithwyr meithrin, cynorthwyon dosbarth a thiworiaid Addysg Bellach ac Uwch er mwyn sicrhau pwyslais cadarn ar y Gymraeg drwy gydol yr yrfa addysg a thu hwnt.

iii) Cwricwlwm sy'n codi ymwybyddiaeth o'r Gymraeg

Nodwn yn ogystal bod modd cefnogi twf y Gymraeg drwy gyflwyno Cwricwlwm sy'n codi ymwybyddiaeth o werth y Gymraeg drwy bynciau allweddol, megis Hanes. Fel mudiad,

credwn fod hwn yn gyfle gwych i feithrin dealltwriaeth o bwysigrwydd y Gymraeg yn hanesyddol ac at y dyfodol. Pwyswn ar y Llywodraeth i ddatblygu corff cyffredin a safonol o wybodaeth ar hanes Cymru gydag adnoddau digonol i gefnogi hyn.

Cymreigio'r Gweithlu a'r Gweithle

Nid o fewn y sector addysg yn unig y mae angen cynyddu defnydd y Gymraeg. Mae meithrin gweithleoedd Cymraeg yn gam amlwg tuag at greu tirwedd gymdeithasol sy'n rhoi bri i'r iaith a chaniatáu ei thwf.

i) Y Sector Gyhoeddus

Mae'r sector gyhoeddus, wrth gwrs, eisoes yn gweithredu'n unol â'r safonau iaith i ddarparu drwy gyfrwng y Gymraeg ac felly'n lle amlwg i gychwyn. Yn ogystal â pharatoi gwasanaethau drwy gyfrwng y Gymraeg, credwn ei bod yr un mor bwysig symud tuag at ddefnydd cynyddol o'r Gymraeg ymysg y gweithlu. Yn wir, mewn rhai ardaloedd (Môn, Ceredigion a Sir Gâr) credwn y byddai'n gwbl ymarferol sefydlu gweinyddiaeth fewnol Gymraeg, fel y gwelir eisoes yng Ngwynedd. Dyma gam sylfaenol tuag at ychwanegu gwerth i'r iaith a sefydlu ei defnydd yn feunyddiol ymysg staff Awdurdodau Lleol, Byrddau Iechyd yn ogystal â'r cyflogwyr, megis darparwyr gofal, sy'n gweithredu dan gontract i'r cyflogwyr hyn.

ii) Cymorth i ddysgu'r Gymraeg

Yn unol â'n sylwadau ar addysg uchod, credwn mai buddsoddiad cadarn yn nyfodol y Gymraeg fyddai gwariant ar ddysgu a gloywi iaith gweithwyr y sector gyhoeddus. Mae gwariant i hyrwyddo'r Gymraeg fel iaith gwaith yn ddilyniant naturiol i fuddsoddiad mewn addysg cyfrwng Cymraeg gan roi gwerth economaidd iddi fel sgil yn ogystal â sicrhau ei defnydd.

Yn amlwg, byddai'r ymrwymiad i ehangu dysgu'r Gymraeg i weithwyr addysg a'r sector gyhoeddus yn golygu buddsoddiad ychwanegol yng nghapasiti'r Ganolfan Dysgu'r Gymraeg a darparwyr gwersi'r sefydliadau unigol.

Cefnogi Parhad a Ffyniant Economaidd y Fro Gymreig

Yn dilyn Brexit a Covid, mae'r ardaloedd lle mae'r Gymraeg ar ei chryfaf ac yn gyfrwng cymunedol yn wynebu heriau hynod o ddyrs. Mae hyn yn cynnwys ymdopi â thirwedd economaidd ansicr yn ogystal ag argyfwng tai, sy'n golygu ei bod hi'n anodd, os nad amhosibl, i bobl ifanc allu fforddio aros yn eu cymunedau brodorol. Nid materion ieithyddol yn unig yw'r rhain, wrth gwrs, ond dengys sut y gall polisiâu ehangach effeithio ar hyfywedd y Gymraeg a bod angen ystyried hynny wrth gynllunio a phennu cyllid ar draws holl waith y Llywodraeth.

i) Buddsoddi yn nyfodol cymunedau'r Gymraeg

Byddwn yn galw am fuddsoddiad sylweddol yn yr ardaloedd rheiny sy'n wynebu dyfodol anghynladwy o safbwynt tai a chyfleoedd i'r boblogaeth leol. Byddai'n bosib, er enghraifft, ehangu ar gynllun Arfor, a llunio strategaeth hirdymor i fynd i'r afael ag anghenion cymhleth yr ardaloedd hyn. Yn amlwg, byddai cynllun o'r fath yn galw am fuddsoddiad digonol a hirdymor, yn hytrach na'r model grantiau a ddatblygwyd eisoes. Credwn, yn sgil datblygiadau cynddeiriog y ddwy flynedd ddiwethaf, fod hwn yn faes sy'n galw am wariant strategol, nid yn unig er lles y Gymraeg, ond er hyfywedd economaidd a hunaniaeth y cymunedau dan sylw.

Sefydlu rhwydweithiau cymdeithasol i gynnal y Gymraeg

Cyflwynodd yr adroddiad diweddar gan Gomisiynydd y Gymraeg ddarlun digalon o'r niwed a wnaethpwyd i rwydweithiau cymdeithasol cyfrwng Cymraeg yn sgil Covid. Er i arian gael ei glustnodi i leddfu rhai o'r effeithiau hyn, credwn drachefn fod hon yn sefyllfa sy'n galw am ymateb a gwariant strategol, hirdymor fyddo'n cyflawni llawer mwy yn y pen draw.

i) Ail-ystyried Canolfannau Iaith

Yn dilyn yr ergyd a laniodd Covid ar rwydweithiau Cymraeg ledled Cymru, credwn y byddai'n amserol ail-ystyried rôl a chyfraniad Canolfannau Iaith tuag at dwf y Gymraeg. Byddwn yn argymhell buddsoddi mewn Canolfannau sy'n seiliedig ar anghenion eu cymunedau a sicrhau hynny drwy ymgynghoriadau trwyadl er mwyn i'r Canolfannau fod yn addas, yn gynaliadwy ac yn gadarn ym mherchnogaeth y gymuned leol. Unwaith eto, o gynllunio'n strategol a gofalus, byddai'r Canolfannau hyn yn gyfrwng, nid yn unig i hyrwyddo'r Gymraeg drwy rwydweithio'n gymdeithasol, ond hefyd yn gyfle i gydweithio'n agos ar lefel gymunedol gyda sefydliadau Cymraeg eraill, megis y Mentrau Iaith a'r Urdd.

Tŷ Hafan & Tŷ Gobaith Consultation Response: Draft Budget for 2022/23

Tŷ Hafan and Tŷ Gobaith children's hospices welcome the opportunity to comment on the Finance Committee's call for information in relation to the Welsh Government's draft budget for 2022-2023.

Our response focuses around two key areas, covered by questions three (financial preparedness) and six (scrutiny of specific areas of the budget).

Background

It is estimated that there are around 3,600 children in Wales living with a life-limiting condition. Approximately 800 of these children have ongoing palliative care needs which require contact with hospital services, only about half of whom access respite at children's hospices. A recently commissioned incidence and prevalence study will give us more up-to-date figures about the numbers of children with palliative care needs, and it is expected this figure will rise significantly¹. A full breakdown of the children we support by both local health board and local authority can be found in [appendix 1](#).

As Wales' only children's hospices, together our charities Tŷ Hafan and Tŷ Gobaith offer holistic, child-centered care, free at the point of service, for more than 450 families across Wales, providing over 2500 nights of respite care each year – a service not available from the NHS or Local Health Boards. Despite this, the two hospices receive less than 10 percent of our funding from statutory sources in Wales – that is the Welsh Government, Health Boards and Local Authorities. We are dependent on the generosity of the Welsh public to raise over 90 percent of our annual funding (circa £7.5m for both hospices), a situation that is increasingly untenable given our cost base is going up and our income sources compromised by both economic conditions and the pandemic.

Our 'Family Voices' report (found in appendix 2), jointly published by Tŷ Hafan and Tŷ Gobaith in 2020, made clear that the families of children with life-limiting conditions need both more and longer respite, enabling them to have essential breaks from their caring responsibilities. In order to meet this need, we require a sustainable funding solution that will provide us with financial certainty and confidence to extend the depth and breadth of our services. Vitally, this will also reduce the burden of unplanned and crisis NHS admissions at a time when the service is under pressure. It will also offer a greater choice to children and their families, and ultimately, fulfil the government's ambition to create a more compassionate Wales.

To address this situation, we are calling on the Welsh Government to introduce a 'Lifeline fund' - that is sustainable funding for Wales' children's hospices, and the children with life-limiting conditions, above the current levels of less than 10 percent that we receive annually. While we welcome recent commitments to review the funding for hospices, we remain concerned that the different nature of children's hospices is not fully understood. We believe that to achieve true progress for the vulnerable children and their families we support requires a

¹ 1 In August 2020, the All-Wales End of Life Board Core Group approved the research proposal: "Trends in the Prevalence and Complexity of Children with a Life-limiting or Life-threatening condition in Wales". We anticipate this will report later in 2021.

whole-Senedd approach. We would like to see the Finance Committee at the vanguard, scrutinising budget allocations and ensuring that the Welsh Government find and allocate additional statutory funding for third sector children's hospices. Together we must ensure that no child with complex life-limiting conditions, or their families, goes without the support he or she needs - regardless of where they live in Wales. We would welcome opportunities to work with the Committee to develop recommendations for the Government in this area.

Question 3: How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

Together, Tŷ Hafan and Tŷ Gobaith receive less than 10 percent of their funding from statutory sources, including Welsh Government, Local Health Boards, Local Authorities and Regional Partnership Boards. This is, by some distance, the lowest allocation of any nation in the UK. Our hospices' respective Income Generation teams are left to fundraise for over 90 percent of our funding, relying on the generosity of the Welsh public to ensure provision of vital pediatric palliative care services.

While the hospices have received some support from statutory sources – for example Tŷ Gobaith receives £220,000 from Betsi Cadwaladr Health Board as part of the National Hospice Grant – such funding does not equate to the services provided; nor does it reflect the need for palliative care services across Wales.

Despite providing end of life care and respite to more than 20 families in Powys, Tŷ Gobaith receives only £6,700 each year from Powys Teaching Health Board and has no service level agreement or contract with the Health Board, highlighting the fragility of the existing arrangements.

Similarly, Tŷ Hafan, which supports families from across six of Wales' Health Boards, received £489,370, including commissioned bed income of circa £128k from public funding and the Health Boards in 2019/20. This equates to around 6% of the charity's income and does not reflect the services offered or the support provided to hundreds of children and families across Wales.

This means that the majority of the income generated by both hospices must come through different activities, all of which are vulnerable to economic (and pandemic) conditions, the generation of which involves considerable cost to the hospices:

- One-off or regular donations from individuals
- Charity retail shops across Wales
- Organised fundraising events
- Lottery
- Businesses fundraising or pro-bono service provision
- Legacy gifts, i.e., supporters leaving gifts in their wills
- Fundraising activities by individuals, schools, churches and community groups
- Non-recurring funding, for example Tŷ Hafan has a commissioned bed, which is available to local authorities and local health boards at a cost. This is essentially spot-purchased by LHB's or LA's and is not a sustainable funding solution.

The ongoing Covid-19 pandemic has had a considerable impact on the fundraising efforts of both hospices, with shops closed for extended periods and most public events cancelled on an ongoing basis. This has resulted in a drop in our funding streams and placing significant pressures on our core services and support staff functions.

The financial year 2017/18 saw Ty Hafan raising over £3m in donations (excluding legacies) through over 88,000 donors via organised events. This compares to £1.9m raised in 2020/21 via 84,000 donors, marking a fall in donations of over £1.0m. The impact of this was mitigated to some extent by government covid grants and the furlough scheme, but neither provides ongoing or sustainable funding.

Like most third-sector organisations, the level of uncertainty over future funding facing Tŷ Hafan and Tŷ Gobaith going into 2022/23 is greater than pre-pandemic years. We continue to deal with the loss of revenue from public facing and corporate fundraising, while trying to retain and maintain a clinical workforce that enables us to concentrate on our core clinical work that involves providing the best possible support to children with life-limiting conditions and their families.

The figure of 10 percent annual funding for children's hospices in Wales stands in stark contrast to the other UK nations. Children's hospices in Scotland receive 50% of their funding from statutory sources; in Northern Ireland it is 25% - while the Republic of Ireland recently announced it would fund 30% of running costs for their children's hospice³. In England, the comparable figure for children's hospice funding is circa 21%. A summary of the comparison between the UK nations statutory funding for children's hospices based on pre-pandemic 2019 figures, can be found in [Table 1](#).

A sustainable funding solution for Wales' children's hospices over and above the existing 10% would have a marked impact on the children and families that use our services. A Lifeline fund would:

- **Enable hospices to employ more nurses** and allied health care staff to enable us to serve more families; in addition to addressing the shortfall we are experiencing due to attrition and illness, this would also enable the development of more positive relationships with the family throughout a child's life, establishing trusted partnership working, and a deeper understanding of the child and families' needs. This in turn will lead to more effective end of life care and bereavement support, and better outcomes for the families at the time when they face the inevitable and heart-breaking loss of their child.
- **Secure additional crucial nights of care at children's hospices**, for children with life-limiting conditions in Wales. Family Voices was clear - extra nights of nurse-led respite for each child and family supported by the hospices are essential to the whole family's mental health and relationships. Described by families as 'a lifeline', it saves them from 'breaking'.
- **Reduce unplanned and crisis hospital admissions** for children with life-limiting conditions, in turn reducing the burden on, and financial costs to, the NHS.
- **Ensure our hospices can sustain and expand our care in other areas** such as physiotherapy and other therapeutic support, clinical support and advice; also, as part of the broader ecosystem of NHS providers, end-of-life care and bereavement support.
- **Give the hospices the financial confidence** to plan to expand the breadth and depth of services to reach more children and families, knowing that we can meet their needs without depriving others of essential services.
- **Support local government to meet its statutory requirements** in relation to respite care, which cannot be met without a sustainable children's hospice sector.
- Ultimately, help to ensure that Wales makes a vital step in its national mission to become a **compassionate country**.

The table below outlines the impact of additional statutory funding in terms of additional nights of respite care for the families we support across Wales, relative to the other UK nations⁷.

Table 1: Comparison of children's hospice funding across the UK.

Country	Current statutory funding level	How this translates: equivalent funding level for Wales' children's hospices	Additional funding required to attain parity	Extra nights of specialist respite support this amount would fund in Wales
Scotland	50%	£3.75m	£3,050,000	An additional 7 nights of respite per year, per family.
Republic of Ireland	30%	£2.25m	£1,550,000	An additional 4 nights of respite per year, per family.
Northern Ireland	25%	£1.9m	£1,200,000	An additional 3 nights of respite per year, per family.
England	21%	£1.6m	£900,000	An additional 2 nights of respite per year, per family.
Wales	<10%	£0.7m		Current statutory support funds around 2 nights of respite per year, per family.

The upcoming budget provides opportunity for the Welsh government to address the disparity in state funding for children's hospices in Wales in comparison to the other UK nations. By allocating fair and need-based funding for the two hospices, the Welsh Government can ensure that no child with complex life-limiting conditions goes without in Wales, ensure that paediatric palliative care services are offered in every corner of Wales, reduce unplanned and crisis admissions to NHS hospitals and ultimately create a Wales that is more compassionate and kinder to those families who find themselves facing the unimaginable.

Our policy ask is clear. We want the Welsh government to make a step change, allocating funding for Tŷ Hafan and Tŷ Gobaith – who provide support and care to hundreds of children and their families every year – to create

parity with other UK nations so that our children and families are not neglected because they happen to live in Wales.

Our Ask

- 1. Parity with other UK nations.** Tŷ Hafan and Tŷ Gobaith are calling on the Welsh Government to consider a move to, at a minimum, the English model of funding for children's hospices. By providing a grant at **21%** of our annual care costs, i.e., investing an additional **£900,000** per year, the Welsh Government would support the children's hospices to provide two additional nights of respite care per year to each family of a child with life-limiting conditions². It would also support us in futureproofing our services and allow us to lever our charitable funding to extend our reach across Wales.
- 2. A centrally negotiated and distributed funding model.** We are calling on the Welsh Government to introduce a centrally negotiated and distributed "Lifeline fund" that covers all of Wales. Children's hospices work across multiple Health Boards. If funding continues to be channeled through Health Boards this will require protracted multiple negotiations and result in different interpretations, funding models and levels of funding between Boards. Such arrangements would serve to perpetuate the funding discrepancies we experience today.
- 3. Long-term.** A funding agreement for, at a minimum, the life of the Senedd, so as to give children's hospices confidence to develop services and make longer term investments in staff and infrastructure. Such funding model could, for example, be based on 75% committed and 25% subject to annual review to give some flexibility and control to the government while enabling the hospices to plan services with confidence.
- 4. Funding linked to need.** Any additional funding must be linked to need. This could be based on the calculated or estimated number of children with a life-limiting condition in Wales within the catchment area actively supported by the hospices. For example, In Cardiff and Vale all the funding for these children would go to Tŷ Hafan as they are the only children's hospice supporting children in that area. The same for Tŷ Gobaith in Betsi. In Powys where both hospices provide support, the funding could be split proportionate to the number children supported by each hospice. By funding based on need children's hospices can be held accountable for reaching more children and families and providing services that best meet their needs.
- 5. Proportionate reporting.** All recipients of palliative care funding should provide outcome-based reporting. It is important that any additional funding does not generate onerous reporting requirements that cost either hospice considerable time or money to administer and provide. Reporting should be based on reach and meeting a certain need.
- 6. Recognition of the cross-policy working of hospices.** Unlike other settings which separate health and social care, children's hospices holistic child and family centered care that best meets the needs of children and families. It is important that funding does not make an artificial distinction between health and social care, where only certain services provided by the hospices are funded and others are not. Funding should be in the form of a single sum that hospices use to best effect to address the unique needs of children and families, taking account of their specific circumstances.

² Based on the current level of service users across both hospices, this equates to over 450 children and their families each year in Wales.

7. **Sustainable minimum commitment of annual funding.** To be forward looking, innovative and sustainable, any additional funding should be agreed and paid in one, or at most two, payments per annum. This will give the hospices the resources to invest in ensuring we can make the biggest difference to the children and families that require our services. Funding that is claimed each month become transactional rather than transformative and does not enable us to address the relatively short but precious futures of life-limited children in Wales.

Question 6: 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

In relation to this question, we would like to focus on two areas:

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

As noted in detail above, Tŷ Hafan and Tŷ Gobaith children's hospices are urging the Government to fund an uplift in the funding allocation for Wales' children's hospices, to the benefit of the hundreds of children with LLC's and their families in Wales.

The two hospices are best suited to provide specialist palliative and end-of-life care to children in Wales, with the skills, resources and understanding to ensure the highest standards of care for the children and their families. Families have told us that Tŷ Hafan and Tŷ Gobaith go above and beyond to ensure all of their needs are met, particularly during end-of-life care, needs that would simply not have been met by the statutory providers of health and social care in Wales.

By providing an increase in the statutory funding available to both hospices, the Government can reduce unplanned and crisis hospital admissions for children with life-limiting conditions, in turn reducing the burden on, and financial cost to, the NHS. The children that require such services have extremely complex needs which are often very resource demanding, and in turn costly to the NHS and other providers of health and social care.

Families remain at the centre of providing round the clock care to children with life limited conditions. The support provided by children's hospices is vital in helping to keep families together and functioning so this care can continue to be delivered. Research has shown that regular short breaks have a positive impact on the health and wellbeing of all family members and helps to keep siblings, who are often young carers in school, and enables parents to be more economically active. Yet despite all these benefits families report remaining almost entirely dependent on the charitably funded hospices for this respite – despite it being a statutory obligation for local authorities across Wales.

By providing a clear uplift in hospice funding, the Welsh Government can offset this against future crisis admissions for children with LLC's, family breakdowns and poor mental health. Such preventative spending needs to be clearly considered by the Government, as well as joint working with third sector providers of health and social care more generally, in the upcoming budget for 2022/23.

How evidence is driving Welsh Government priority setting and budget allocations.

Tŷ Hafan and Tŷ Gobaith have previously raised the issue regarding the evidence base of children with life-limiting conditions in Wales – and how any funding for the children's hospices is linked to need.

There is simply a lack of understanding of how many children and their families in Wales require the support of a hospice – partly as a result of a lack of a central register, or data set, of those children and young people living with a life-limiting condition or who require palliative care. How can the Welsh Government develop evidence-based policy or make comprehensive budget allocations in relation to children and young people with complex, life-limiting conditions, when there is so little evidence regarding the population that make up this group? What we know from our interactions with our network of professionals and families is that there is unmet need; but the facts need to be more effectively collated and understood.

The 2021 stock-take itself acknowledges that there is currently *no data on the current prevalence of LLC in children or young people in Wales*. It goes further, saying: *there are marked disparities in how easily children in different areas are accessing specialist services. We are not yet able to offer families from some parts of Wales a meaningful choice between home, hospice or hospital as the end-of-life approaches. The hospices that serve children in Wales are still not securely funded and we cannot yet muster the full range of services a specialist children's team should be able to offer to patients.*³

We urge the committee to consider this issue as part of its scrutiny of the upcoming Welsh Government budget – and ensure that the funding for children's hospices is linked to the need for their services across Wales. The Welsh Government commissioned prevalence study should be considered in this work – which provides an indication of the growing numbers that make up this group – as conditions become more complex and technological and scientific advances see many young people living longer and more varied lives.

Thank you for your consideration of the above response. If you would like any further information about our calls for a lifeline fund, a comprehensive briefing document can be found online [here](#).

³ End of Life Implementation Group, Review of Specialist Care Services in Wales 2010-2021, July 2021

Appendices

Appendix 1 – Breakdown of Tŷ Hafan and Tŷ Gobaith Service Users in Wales

Tŷ Hafan & Tŷ Gobaith Service Users by Health Board:

Health Board	Aneurin Bevan	Betsi Cadwaladr	Cardiff & Vale	Cwm Taf	Hywel Dda	Powys Teaching	Swansea Bay	Total
Service Users	66	123	97	54	47	26	51	464

Tŷ Hafan & Tŷ Gobaith Service Users by Local Authority:

Local Authority	Service Users
Blaenau Gwent County Borough Council	2
Bridgend Council Borough Council	16
Caerphilly County Borough Council	19
Cardiff City Council	71
Carmarthenshire County Council	22
Ceredigion County Council	9
Conwy County Borough Council	13
Denbighshire County Council	29
Flintshire County Council	22
Gwynedd Council	17
Isle of Anglesey County Council	10
Merthyr Tydfil County Borough Council	9
Monmouthshire County Council	7
Neath Port Talbot Council	9
Newport City Council	22
Pembrokeshire County Council	19
Powys County Council	24
Rhondda Cynon Taf County Borough Council	29
Swansea City Council	41
Vale of Glamorgan Council	26
Torfaen County Borough Council	14
Wrexham County Borough Council	31
Total	461

Appendix 2 - Family Voices report: What families want more of

In 2020, we completed a vital piece of work focused on understanding what families want and need from us. We called our report 'Family Voices'. The report, based on a survey of views from families using or who have used hospice services, provides an important voice in understanding what these families need.

We had over 133 responses – which told us just how vital our services are, but also how desperate families are for more of what the hospices provide. Respite care is for coping and wellbeing, but they spoke of needing more. We know that our support is more important than ever, and this report is essential in helping us plan for the future.

The full report can be found online here: [English](#) / [Cymraeg](#)

Service	Total
More / Longer Respite	43%
More Availability of Services	15%
Advocacy / Information / Benefits / Housing Etc.	13%
Sitting / Home-based Care	10%
More Access to Counselling / Emotional Support	10%
Better Communication between Services (Hospice and Wider Services)	10%
Easier Access / Admission Process	9%
More Local Services	8%
Increased Age Limit	8%
More Activities / Events	6%
More Sibling Support	5%
More Responsive to Crisis	5%
Better Access to Specialist PPC	4%



**‘Welsh Government Budget Considerations’
Submission by Wales Tourism Alliance to Finance Committee**

1. Budget transparency; scrutiny & accountability
2. Efficiency and effectiveness; the value of engagement
3. Covid recovery
4. Sustainable industry

Wales Tourism Alliance Limited
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Introduction

The Wales Tourism Alliance would like to acknowledge, on behalf of its members, the contributions made by both governments to securing the future of the tourism industry during the pandemic. There is no question that prompt action and the delivery of financial resources saved jobs and businesses. It was the hardest hit industry in terms of job losses and loss of earned income in Wales and has, according to EMsi labour market research, been the slowest to bounce back. Whilst this was true for the UK generally, over-all recovery is happening more quickly in Wales than elsewhere, due primarily to a proportionally larger public sector (where jobs were protected).

Despite solid recovery in the non-service private sector and high demand in parts of the service sector, e.g., care, tourism remains a vulnerable industry. While parts of Wales had a good summer, it is still exposed to a range of financial shocks and threats and we urge Welsh Government to remember that we still need short, medium and long-term support to maximise our contribution to the Welsh economy.

Please note that, while we have focused on the forthcoming budget, some of the matters raised may also be of interest to PAC and the ETRA Committee. We would be happy for you to share our thoughts with them.

1. Budget Transparency

As an interested, independent organisation representing the Tourism industry in Wales, external to Welsh Government, it is currently not possible to effectively scrutinise Welsh Government support and investment and its impact on the growth of the Wales visitor economy.

This is true for direct funding of Visit Wales and its subsequent use, but just as importantly, spending in other departments, or other parts of the economy portfolio, which have an indirect effect on tourism; looking to tourism to help support other government objectives e.g., health and wellbeing, local government delivery, education and skills.

The annual report on the Welsh Government's consolidated fund provides us with no information with which we can usefully use to respond to this consultation. The fact that the final current annual budget MEG for the economy is £1.75bn tells us nothing

about investment in tourism. The narrative accompanying the budget identifies some key areas of expenditure, which *could* include tourism. However, without overt reference, it is unlikely that those recipients will think of how our industry can help them fulfil their aims and vice versa; apprenticeships, Brexit transition (despite a number of tourism programmes being supported through EU funding streams), agriculture (rather than rural economy), culture and sport.

Unlike the British Tourist Authority (Visit Britain & Visit England), Visit Scotland and Tourism Ireland, which are arms-length national tourism bodies, Visit Wales does not produce a standard, publicly available, annual report and set of accounts. This means understanding its budget is extremely difficult and we have to rely on periodic statements made by Visit Wales or intelligence from recipients of various grants and loans where they are itemised in those recipients' accounts or where there is willing disclosure. Visit Wales statements are invariably made at a time of welcome investment in tourism activity, but without contextual reference to the department's overall budget.

Recommended Action: Visit Wales produces an annual report and set of departmental accounts.

The "Welcome to Wales: Priorities for the visitor economy 2020 to 2025" Plan contains no budget or specific KPIs. It is, therefore, not possible to establish to what extent the Welsh Government's investment actually contributes toward growth. We understand that there is £60m behind this plan (in partnership with the Bank of Wales) but we have no access to the basis on which that figure was reached, how much of the plan it covers or what percentage of Visit Wales's budget that represents.

This situation also means we will find it difficult to track the effect of the loss of programmes supported through EU funding streams, e.g. Regional Tourism Engagement Fund (RTEF). Welsh Government has introduced new programmes of financial support which will need to be scrutinised once they have had time to bed in.

As this is the established position, we have no means of assessing year on year progress, not least financially. There is no practical route into identifying secondary support for tourism in other departments.

Recommended Action: Annual report to include consistent standardised reporting on achievement against KPIs. Also to include spend and results in other departments

In order to be able to assess the impact that the Welsh Government's support makes toward growth, an accurate breakdown of the expenditure on marketing, product development, useful research and tourism training should be provided by the Welsh Government against ONS figures for tourism growth in Wales. Accepting that a direct link of causation between spend and growth is not always easy to demonstrate, we are not in a position to begin assessing what is effective spend, and what is not, without understanding what is being spent in the first place.

The Budget for 2022/23 will not be released until the 20th December 2021. Even when it is released, attempts to review previous budgets give us little confidence that it will be possible to accurately ascertain the level of direct tourism spend made by the Welsh Government toward tourism industry support - even in the four activities above.

Arguably, if the tourism industry is ever going to assist the Welsh economy to become truly sustainable, we need to establish the correlation between tourism spend and the contribution to growth made by the Welsh Government, in order to be in a position to suggest directional changes for the future development of the visitor economy. While some sectoral bodies within the industry here in Wales are able to engage in some research, most of the resources for the most relevant research lie within Welsh government. We do not know what Visit Wales's research budget is, but it does not appear to be sufficient to craft a detailed, horizon scanning body of data to inform strategy development. We note that Visit Wales does commission external research via consultancy.

Even so, the general point remains that, overall, the wider industry relies on the government's own figures, without independent capacity of its own to offer further assistance. That limits scrutiny by the industry of the effectiveness of spend and limits constructive challenge - emphasis on "constructive" - which it can offer.

With, hopefully, the worst of the pandemic behind us, the need to mitigate the impacts of Brexit, and the need to meet the challenges faced in relation to environmental recovery and changing consumer expectations, this simple level of detail is not just required, it is essential in order to assist both governments and the private sector in planning the Tourism economy for the longer term. Indeed, even this is not enough in itself, we need to be able to go much further and be able to drill down into detail beyond mere departmental budget headings.

Our main observation therefore (beyond the expected observations of value for money, etc.) is that a key priority should be the development of a comprehensive breakdown

into both direct and indirect spend by the Welsh Government on the Visitor economy and an accurate assessment of that spend's impact on actual growth'.

Cost implication: Reforming budget presentation and preparation of a Visit Wales annual report and set of accounts is not cost-free, but the information needed will already be collected by Welsh Government.

2. Efficiency & Effectiveness; the Value of Engagement

The reverse side of the scrutiny coin is the industry's keenness to be a constructive friend to Visit Wales. It is primarily made up of the small, private business which characterise the Welsh economy and no decisions on government investment in tourism will maximise its leverage if it is not fully informed by this majority of the industry.

Welsh Government reformed the structures for engagement between the industry and Visit Wales seven years ago. The four regional Fora who meet with Visit Wales are led by chairs from the private sector, paid by government. These replaced four regional partnerships, private sector organisations which received arms-length funding from government, but were perceived confidently as independent advocates and two-way conduits of necessary information.

Engagement with the fora has declined, especially seriously in south-east Wales although the picture is not consistent across the four fora. Therefore, their value as two-way information conduits needs assessing. Disenchanted larger tourism businesses are looking to engage directly or through other structures like growth deals and, to a varied extent, cross-industry bodies like local skills partnerships. Smaller businesses claim that the fora are not representative - which may be unfair but they disengage as a result

While getting into the detail of industry concerns on this is not for this committee, we would like to see a commitment in the budget to fund an independent efficiency and effectiveness review of the current structure. That should include a qualitative assessment of how the many voices, but clear messages from the industry are used to maximise the effectiveness of Visit Wales in meeting both the industry's and Welsh Government's priorities. It should, of course, be a virtuous and mutual advantageous partnership. The WTA is willing to assist with this work.

Cost implication: Previous reviews have cost in the region of £200k, which is no small sum. As Visit Wales is part of a government department, the cost should be met from its own Central Services and Admin MEG, not the Visit Wales' own budget. This proposal cannot reduce funding made available for tourism.

3. Covid Recovery

During the height of the pandemic response, tourism was comparatively well-protected as the result of frequent engagement with the Fora and *other industry leads* giving real time feedback.

While that intensity of engagement has reduced, meetings continue so that Welsh Government can glean feedback re potential steps it might take to contain covid. These tend to be at short notice which means attendees may not be fully armed with the quantum details of the financial hit implicit in any proposals.

Nevertheless, the following points re finance have been raised by our members in relation to the fragility of recovery, all of which have been made known to Welsh Government and which we would hope to see acknowledged in the budget as well as other policy areas:

- Rising cost of goods and services
- Shortage of staff; immediate and longer term
- Decrease in capacity to earn income; staff shortages, covid regulatory requirements, deferred demand reducing availability
- Investing in greening businesses at a time of reduced savings
- A rapid change in the needs, demands and expectations of both new and existing customers
- Increasing wages and costs of employment, e.g., NI contributions

To be clear, there is acceptance that staff should be properly treated both financially and via working practices. There is also support for green modernisation, but none of this comes for free.

As these challenges are biting at the same time, we urge Welsh Government to resist any further downward pressure on the industry via the budget. The challenges to tourism as an industry are not unique to Wales and were recognised in the UK budget in

terms of non-domestic rates and support for culture. We ask Welsh Government not to divert the consequential away from meeting challenges which apply equally in Wales:

- Extend the business rate relief period for tourism businesses and to introduce the equivalent of the new one year 50% business rates discount for retail, hospitality, & leisure sectors.
- Adopt the new business rates relief designed to support investment in property improvements so that no business will face higher business rates bills for 12 months after making qualifying improvements to a property they occupy. This is aimed at enabling businesses to adapt to meet rising demand and make improvements to their premises that support net zero targets and enhance productivity as employees return to the workplace.
- Alongside that, consider grants or low-cost loans for on-site capital spend on green infrastructure e.g., car charging points, replacement boilers, heat pumps, etc. However, many businesses will not be able to access the schemes for domestic improvements and - being mainly micro and small businesses. As they may fall outside any plans that support larger operators with such costs, consideration should be given to scheme entry thresholds.
- Consider extensions to payback periods on recovery loans via the Bank of Wales
- Place a moratorium on any expenditure from this budget to develop plans for a tourism tax.

4. Sustainable Industry

Tourism is currently competing for staff with other industries - immediately and in the long term. While the industry in Wales needs to take its own steps to make itself more attractive to different types of employee, employer and investor, Welsh Government has an important role in policy development to achieve that shared aim

An annual budget does not lend itself to detailed discussion of multi-year investment. The Hospitality & Tourism Regional Skills Partnership will be giving evidence to Welsh Government shortly which will be of interest to you; WTA will have contributed to that.

However, while it will take some detailed consideration about what skills will add value to the industry, we would hope to see the following in the forthcoming budget:

- Resources committed to curriculum development to include the use of tourism as a *context* for wider learning; developing interpersonal skills, financial literacy and budgeting, confidence building and personal resilience, problem solving, persuasive writing (and speaking), critical thinking, psychology, forward planning; all transferable skills. This will be especially pertinent with an emphasis on local curriculum design.

- Funding for the scoping of degree level apprenticeships in visitor economy specialisms and improvements in the lines of sight between entry level and professional qualifications/experience
- Visible, increased funding for larger, independent destination management operators (DMOs). We draw the committee's attention to the de Bois report (England only), which makes the case that fragmentation of destination management, and fragmentation of funding, is counterproductive and ineffective. This does take us back to the concerns about structures. However, it is wholly unreasonable to expect a small part of a larger department in a large portfolio full of competing pressures to be responsible for running a private sector-led industry. It's industry partners need financial support too to help lift the load while this model exists.
- While it will likely take two years for any realistic growth in opportunities provided by inward overseas travel, working with Visit Britain we would recommend some investment in maintaining visibility in key markets so that Wales does not slip from view when travel opens more fully
- Transport infrastructure. We acknowledge the investment in active travel and look forward to seeing its increased presence in tourism activity. Active travel routes will also mean that some of the tourism workforce can take advantage of routes for non-leisure purposes.

However, if we are to take non-car transport options seriously, we would expect to see considerable finances committed to new rolling stock on lines serving popular tourism destinations. Further, existing support for bus companies could include clearer conditionality on maintaining consistent services on local routes accessing various visitor destinations; these are less dependent on free bus pass customers too.

Even so, car use will dominate travel for some time and we would recommend a clear financial signal on publicly accessible electric vehicle charging stations as well as support to individual businesses for on-site installation mentioned earlier.

- The wider point of general communication with Visit Wales is not a matter for this Committee. However, we draw your attention to the fact that there have not been any dedicated industry communication officers at Visit Wales for some time. This needs attention as communicating with a SME heavy sector needs energy and time, and we recommend seeing this omission addressed in the budget .

Wales Tourism Alliance – 21st November 2021



Senedd Cymru, Pwyllgor Cyllid

Galwad am wybodaeth – Cynigion cyllideb ddrafft Llywodraeth Cymru ar gyfer 2022-23

Cyflwyniad Cyngor Ysgolion Annibynnol Cymru (WISC)

Dyma gyfieithiad o Gyflwyniad Cyngor Ysgolion Annibynnol Cymru dyddiedig 22^{ain} Tachwedd 2021.

Crynodeb

1. Mae cyngor Ysgolion Annibynnol Cymru'n cynrychioli 65 ysgol annibynnol, 20 ohonynt â statws elusennol. Rydyn ni wedi cael ein cynorthwyo yn y cyflwyniad hwn gan y Cyngor Ysgolion Annibynnol (ISC) sy'n cynrychioli ac yn casglu data ar ysgolion hyd a lled y DU.
2. Rydyn ni'n ymateb yn bennaf i Gwestiwn 6 yn Atodiad 2 y Pwyllgor (*A oes gennych unrhyw sylwadau penodol ar unrhyw un o'r meysydd a nodir isod, yn arbennig yng ngoleuni sefyllfa COVID-19 a'r modd y dylai'r rhain gael eu hadlewyrchu yng nghyllideb 2022-23?*) Yn arbennig, mae ein hymateb yn mynd i'r afael â'r is-gwestiwn "*Sut ddylai Llywodraeth Cymru ddefnyddio pwerau trethu.*"
3. Rydyn ni hefyd yn ymateb yng nghyd-destun cynigion polisi Llywodraeth Cymru i ddileu rhyddhad ardrethi annomestig mandadol o ysgolion annibynnol elusennol. Cynhaliodd Llywodraeth Cymru [ymgyngoriad ar ddileu rhyddhad ardrethi annomestig](#) o ysgolion annibynnol elusennol (a rhai elusennau eraill) rhwng Ionawr a Mai 2020). Ymateb Llywodraeth Cymru yn [y crynodeb](#) oedd "*y byddant yn ystyried yr ymatebion i'r ymgynghoriad hwn yn llawn. Bydd ymgynghoriad pellach ar unrhyw gynigion polisi penodol.*" Yn absenoldeb unrhyw ddiweddiariad pellach, rydyn ni'n ystyried y polisi hwn fel un sy'n dal i gael ei ystyried gan Lywodraeth Cymru.
4. Yng ngoleuni hyn, rydyn ni'n ymateb i'r ymgynghoriad hwn i ailadrodd agweddau ar y cyflwyniad a wnaethom yn ein tystiolaeth yn 2020 i Lywodraeth Cymru: mae dileu rhyddhad ardrethi annomestig mandadol i elusennau annibynnol cymwys yng Nghymru **yn rhoi Llywodraeth Cymru a'r trethdalwr mewn perygl o brofi colled ariannol net**. Bydd y cynnydd yn nifer y plant sy'n mynd i ysgolion gwladol yn debygol o achosi i gynnydd mewn costau orbwyso unrhyw refeniw treth ychwanegol. Yn ein cymariaethau, rydyn ni'n parhau i ddibynnu ar y refeniw a ragfyngwyd gan Lywodraeth Cymru yn eu hymgyngoriad, lle gwnaethant awgrymu y byddai £1.4 miliwn yn cael ei godi drwy ddileu rhyddhad ardrethi annomestig.
5. Yn ogystal â gosod Llywodraeth Cymru mewn perygl o brofi colled ariannol, byddai dileu rhyddhad elusennol yn achosi cynnydd yn ffioedd ysgolion annibynnol. Yn y pen draw byddai hyn yn cyfyngu ar allu rhieni Cymru i ddewis ysgol - a fyddai'n hynod ddirifol i deuluoedd sydd wedi dewis ysgolion annibynnol i ddiwallu angen addysgol arbennig, neu awydd i sicrhau addysg grefyddol/athronyddol arbennig.
6. Tra'n bod yn ymateb yn bennaf ar ran ein hysgolion sy'n aelodau, rydyn ni'n ymwybodol bod yna 79 o ysgolion annibynnol yng Nghymru a bod gan o leiaf 23 ohonynt statws elusennol. Gobeithiwn na fydd Llywodraeth Cymru'n cynnwys y fath gynigion yn eu cyllideb ddrafft ond rydyn ni'n awyddus i weld y Pwyllgor wedi paratoi'n dda i graffu ar y fath bolisi os caiff ei gynnig. Byddem

Cyd-destun

7. Dengys ffigurau Llywodraeth Cymru bod o leiaf 9,800 o ddisgyblion yn mynychu ysgolion annibynnol elusennol yng Nghymru.¹ Dengys ffigurau ISC bod o leiaf 5,500 o'r disgyblion hyn ar hyn o bryd mewn ysgolion annibynnol elusennol WISC. Byddai dileu rhyddhad ardrethi annomestig yn effeithio ar o leiaf 23 o'r 79 ysgol annibynnol yng Nghymru (oddeutu 30%) ond byddai hyn yn cael effaith anghymharol ar ddisgyblion – yn effeithio ar oddeutu 57% o ddisgyblion sy'n cael eu haddysgu'n annibynnol yng Nghymru.
- 8 Mae ysgolion annibynnol elusennol WISC yn amrywio o ran maint, daearyddiaeth a chynnig addysgol. Maen nhw'n bresennol mewn 9 ardal awdurdod lleol, ac yn amrywio o ran maint o lai na 10 disgybl i fwy na 1,200. Mae arbenigeddau addysgol yn cynnwys anghenion addysgol arbennig, addysg gerddorol, ethos crefyddol, ac athroniaeth addysgol (e.e. ysgolion Steiner). Mae pob ysgol annibynnol yn cyfrannu arbedion i gyllideb addysg Cymru, trwy beidio â chymryd lleoedd a ariennir gan y wladwriaeth.
- 9 Ar hyn o bryd mae ysgolion annibynnol elusennol yng Nghymru'n derbyn yr un rhyddhad ardrethi annomestig mandadol â phob elusen arall yng Nghymru, yn cydymffurfio â'r holl gyfraith sy'n berthnasol i elusennau, ac yn ddarostyngedig i'r un rheoliad gan y Comisiwn Elusennau. Maen nhw'n rhan gwbl integredig a chyfartal o'r sector elusennol. Byddai dileu rhyddhadau elusennol ar gyfer mathau cyfyngedig o elusen yn unig (ysgolion annibynnol) yn creu sector elusennol dwyhaen yng Nghymru, gan greu gwahaniaethau artiffisial rhwng elusennau, ac un grŵp o elusennau'n cael triniaeth annheg.
10. Mae ysgolion annibynnol elusennol, fel pob elusen, yn gwneud gwaith budd cyhoeddus. Cyfrifoldeb pob ysgol, a'u hymddiriedolwyr elusennol, yw penderfynu pa weithgaredd budd cyhoeddus sydd fwyaf defnyddiol. Mae hyn yn unol â phob elusen reoledig arall, a chaiff adroddiadau blynyddol eu darparu i'r Comisiwn Elusennau a chânt eu cyhoeddi ar eu gwefan.
11. Gan amlaf, mae'r gwaith budd cyhoeddus hwn ar ffurf partneriaethau gydag ysgolion gwladol lleol neu grwpiau cymunedol, neu fwrsariaethau sy'n ehangu mynediad i ysgolion annibynnol. Yn y flwyddyn academaidd ddiwethaf - y mae data ar gael ar ei chyfer (2020/21) - derbyniodd dros 600 o ddisgyblion mewn ysgol annibynnol elusennol WISC gymorth ffioedd prawf modd - gan ganiatáu iddynt fynychu ysgol na fyddent fel arall yn medru ei chyrchu. Yn y flwyddyn academaidd honno, gwnaeth y cymorth ffioedd prawf modd hon gyrraedd cyfanswm o £5.1m o leiaf, a ddarparwyd gan ysgolion elusennol WISC yn unig - mwy na theirgwaith gwerth gros y rhagwelir y bydd dileu rhyddhad annomestig yn ei godi.
12. Nid 'gwobr' am weithgaredd budd cyhoeddus yw rhyddhad elusennol, ond budd treth i ganiatáu i bob sefydliad elusennol roi cymaint o arian â phosibl i'w weithgareddau elusennol. Yn yr un modd, nid yw ysgolion elusennol annibynnol yn perfformio gweithgaredd budd cyhoeddus i 'gyfiawnhau' eu rhyddhadau elusennol, ond oherwydd ei fod yn rhan o'u hunaniaeth fel elusennau.

¹ *Nifer disgyblion fesul awdurdod lleol, rhanbarth ac oedran grŵp*, Llywodraeth Cymru (Medi 2021) <https://stats.wales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Independent-Schools/Pupils/number-by-localauthorityregion-agegroup>. Cyrchwyd 15/11/2021.

Effeithiau ariannol y polisi

13. Yn hytrach na darparu £1.4 miliwn mewn arian ar gyfer gwasanaethau, byddai dileu rhyddhadau elusennol yn golygu cynyddu gwariant Llywodraeth Cymru, a cholled net mewn refeniw. Mae llawer o ysgolion annibynnol elusennol yng Nghymru na fyddent yn medru ymdopi â chynnydd pumplyg mewn ardrethi annomestig a byddai'n rhaid iddynt ystyried cynyddu ffioedd. Yn ogystal â gwneud ysgolion yn llai hygyrch i rieni, byddai hyn, yn anochel, yn lleihau'r galw, ac yn arwain at blant yn mynychu'r system addysg wladol.
14. Felly, mae unrhyw gynnig i ddileu rhyddhad elusennol hefyd yn ymwneud â chwestiwn y Pwyllgor ar sut y dylid blaenoriaethu adnoddau mewn sectorau fel addysg sydd ag angen iddynt "ddal i fyny." Byddai dileu rhyddhad elusennol yn symud adnoddau Llywodraeth Cymru oddi wrth blant ac ysgolion sydd eu hangen fwyaf i dalu am leoedd plant sy'n cael eu haddysgu'n annibynnol ar hyn o bryd.
15. Mae dadansoddiad gan ISC yn dangos y byddai hyd yn oed symudiad o 5% o ddisgyblion o ysgolion annibynnol elusennol yn defnyddio bron yr holl refeniw a ragwelir o'r polisi, gan adael oddeutu £37,145 yn unig o incwm net yn genedlaethol (Gweler paragraff 21 isod). Gan nad yw hyn yn modelu'r angen am wariant cyfalaf (er enghraifft, recriwtio athrawon neu estyniad ysgol), mae'n debygol y byddai dileu rhyddhad ardrethi annomestig yn golled net i drethdalwyr Cymru.
16. Dylid cofio bod darpariaeth rhyddhad ardrethi annomestig elusennol, sy'n werth £1.4 miliwn yn ôl Llywodraeth Cymru, yn rhan o fodel gweithredol ysgolion annibynnol elusennol WISC. Mae'r ysgolion hyn yn darparu o leiaf 5,500 o leoedd mewn ysgol, gan arbed o leiaf £27.2 miliwn i Lywodraeth Cymru o'u cyllideb addysg.
17. Golyga hyn bod arbediad blynyddol i gyllideb addysg Cymru o'r ysgolion annibynnol elusennol bron 20 gwaith yn fwy na'r incwm (gros) a ragwelir o ddileu rhyddhad ardrethi annomestig.²

Effeithiau cynyddu ffioedd

18. Mae'n debygol y bydd yn rhaid i ysgolion wneud iawn am y cynnydd mewn costau ardrethi annomestig drwy gynyddu ffioedd, a fyddai'n cael effaith ar unwaith drwy wneud buddion ysgolion annibynnol elusennol yn llai hygyrch i blant Cymru.
19. Mae ymylon tynn sy'n bodoli eisoes, ac effaith COVID ar gyllidebau ysgolion, yn golygu y byddai gallu ysgolion i ymgorffori costau uwch eu hunain yn gyfyng, a byddai angen iddynt eu trosglwyddo i eraill.
20. Ar yr un pryd, disgwylir i effeithiau ehangach y pandemig ar gyllidebau teuluoedd fod wedi lleihau gallu rhieni i fforddio ffioedd uwch. Felly, byddai cynnydd mewn ffioedd, tra'n angenrheidiol, hefyd yn arwain at symud plant o ysgolion annibynnol elusennol – gan leihau'r swm o arian y maent yn ei arbed i Lywodraeth Cymru.
21. Er mwyn dangos y risg ariannol a berir gan y polisi hwn, rydyn ni wedi modelu gwahanol senarios o gynnydd mewn ffioedd, symudiad disgyblion, ac effaith hyn ar gyllideb addysg Cymru:

² Mae dadansoddiad gan ISC wedi canfod y byddai addysgu pob disgybl sydd ar hyn o bryd mewn ysgolion annibynnol elusennol yng Nghymru'n costio o leiaf £ 27,257,087, sef 19.5 gwaith yr incwm gros o £1.4 miliwn a ragwelir.

% Symudiad Disgyblion	Cost i Gyllideb Addysg	Incwm net a godir o ddileu rhyddhad trethi annomestig mandadol (fel canran o'r incwm gros a ragwelir)
2.5%	£681,427.18	£718,572.83 (51.3%)
5%	£1,362,854.35	£37,145.65 (2.7%)
10%	£2,725,708.70	-£1,325,708.70 (-94.7%)
20%	£5,451,417.40	-£4,051,417.40 (-289.4%)

Ffigur 1³

22. Yn ymarferol, gan fod y modelu hwn wedi anwybyddu unrhyw gostau cyfalaf (megis ehangu ystafell ddosbarth, prynu adnoddau dysgu ychwanegol, neu hyfforddi a chyflogi athrawon newydd) sy'n ymwneud ag addysgu 280 o ddisgyblion ychwanegol yn flynyddol (tua 5% o symudiad disgyblion), mae'n debygol y byddai dileu rhyddhad trethi annomestig yn golygu cost net i Lywodraeth Cymru.

Ysgolion o bosib yn cael eu cau

23. Yn ogystal â'u budd ariannol i gyllideb addysg Cymru, mae rhyddhadau elusennol yn rhan sefydlog o dirwedd ariannol sydd wedi cael ei defnyddio i ddatblygu eu modelau busnes – byddai eu dileu, heb amheuaeth, yn achosi canlyniadau i'r ysgolion a effeithir.
24. Mae ysgolion annibynnol yn aml yn gweithredu o fewn elw ariannol tynn, gan ail-fuddsoddi unrhyw warged, bob amser, mewn gweithgareddau elusennol. Byddai dileu rhyddhad mandadol yn gyfystyr â chynnydd pumplyg, a byddai hyn heb amheuaeth yn peryglu cau sefydliadau sy'n gweithredu o fewn ymylon elw tynn.
25. Felly, ni allai pob ysgol annibynnol elusennol fforddio parhau i weithredu gyda cholled o 5% o ddisgyblion. Tra na allwn ddyfalu am wybodaeth fasnachol sensitif, dangosodd data'r Comisiwn Elusennau ar gyfer blwyddyn ariannol 2020 fod gan o leiaf 5 ysgol annibynnol elusennol WISC wariant sy'n fwy na'u hincwm ffioedd.⁴ Gwyddom y bydd holl ysgolion WISC, gan gynnwys ysgolion elusennol WISC, yn wynebu pwysau ariannol sylweddol hyd yn oed heb gynnydd pumplyg mewn ardrethi annomestig. Bydd costau ysgolion yn cael eu dwysáu gan y cynnydd o 43% yng nghost y Cynllun Pensiwn Athrawon (TPS), y codiad ardoll iechyd a gofal cymdeithasol mewn Yswiriant Gwladol, ac effeithiau parhaus y pandemig. Pe bai cynnydd pumplyg mewn ardrethi annomestig yn cael ei ychwanegu at y costau hyn, gall y bydd ysgolion yn cael eu gorfodi i gau.
26. Pe bai'r 5 ysgol hyn yn cael eu gorfodi i gau, gyda 100% o ddisgyblion yn ymuno â'r sector a gynhelir, cyfanswm y gost ychwanegol i gyllideb addysg Cymru fyddai £ 10.4 miliwn (neu

³ Cyfunodd ISC ffigurau gwariant awdurdod lleol fesul disgybl gan awdurdod lleol â nifer y disgyblion mewn ysgolion annibynnol elusennol yn yr ardal awdurdod lleol honno. Cynhyrchodd hyn y gost ychwanegol a ragwelwyd o addysgu pob disgybl mewn ysgol awdurdod lleol - £27,257,087. Mae 5% o'r ffigur hwn, sef cost addysgu 5% o ddisgyblion, yn £ 1,362,854.35. Cyfeirnod ffigurau'r awdurdodau lleol yw: *Cyllidebau ysgolion dirprwyedig yn ôl awdurdod*, Llywodraeth Cymru (Gorffennaf 2021). <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Delegated-School-Budgets/delegatedschoolbudgets-by-authority>. Cyrchwyd 16/11/2021.

⁴ Gall y nifer hwn fod yn uwch, gan fod o leiaf bedair ysgol annibynnol elusennol ychwanegol WISC yn rhan o ymddiriedolaethau elusennol mwy, sy'n golygu nad oes data ariannol unigol ar gael.

oddeutu saith gwaith a hanner yn fwy nag incwm rhagamcanol y polisi).⁵ Yn gyfan gwbl, byddai hyn yn golygu y byddai gan y polisi gost net o o leiaf £ 9 miliwn i gyllideb addysg Cymru.⁶

Effeithiau economaidd a chyflogaeth ehangach

27. Yn ogystal â bod yn elusennau, a sefydliadau addysgol, mae ysgolion annibynnol elusennol yn ganolfannau cyflogaeth - trwy gyflogaeth staff uniongyrchol a chyflogaeth a gefnogir yn uniongyrchol yn eu cadwyni cyflenwi. Mae mwy na 800 o athrawon yn cael eu cyflogi'n uniongyrchol gan ysgolion annibynnol elusennol hyd a lled Cymru, ochr yn ochr â staff cymorth a swyddi yn y gadwyn gyflenwi.
28. Canfu ymchwil a wnaed gan Oxford Economics, ar ran ISC, fod ysgolion annibynnol yng Nghymru (elusennol ac anelusennol) yn cyfrannu £ 87 miliwn yn uniongyrchol at economi Cymru ac yn cyfrannu £22 miliwn mewn trethiant.⁷
29. Tra nad yw'n bosibl cymhwyso'r ffigurau hyn i ysgolion unigol ar sail lleoliad, mae'n hysbys bod ysgolion annibynnol penodol mewn lleoliadau mwy gwledig yn gyflogwyr lleol sylweddol, ac yn gefnogwyr busnesau lleol. Pe bai'r ysgolion hyn yn methu, byddai'r caledi'n digwydd mewn cymunedau a busnesau lleiaf abl i ddod o hyd i ffynonellau incwm amgen. Disgwyliwn mai dwysáu fydd y caledi hwn yn dilyn effeithiau economaidd COVID-19.
30. Felly, mae WISC yn credu'n gryf mai'r peth gorau, o ran budd ariannol i Lywodraeth Cymru fyddai cynnal rhyddhad trethi annomestig elusennol ar gyfer ysgolion annibynnol, a diogelu goroesiad yr ysgolion hyn, yn hytrach na mentro achosi colled net i'r gyllideb addysg.

Effeithiau addysgol a chymdeithasol y polisi

31. Er ein bod yn cydnabod mai gwaith ariannol yn bennaf yw gwaith y Pwyllgor, credwn y byddai yna effeithiau addysgol a chymdeithasol ehangach sydd yn ein barn yn berthnasol i graffu strategol y Pwyllgor ar y gyllideb ddrafft. Mae ysgolion annibynnol yng Nghymru'n rhan o'r system addysg - ac yn darparu budd cyhoeddus i ysgolion eraill trwy bartneriaeth, ac i ddisgyblion mewn angen trwy fwrsariaethau ac ysgoloriaethau.
32. Tra bydd ysgolion annibynnol elusennol yn parhau i ddarparu cymaint o fudd cyhoeddus â phosibl, byddai'n rhaid i lefel y ddarpariaeth fwrsariaeth addasu pe bai cynnydd pumplyg yn yr ardrethi annomestig. O ystyried natur y gefnogaeth fwrsariaeth prawf modd, mae'n debygol iawn na fydd y disgyblion sy'n ei derbyn yn gallu parhau mewn ysgol annibynnol elusennol os bydd yn rhaid gostwng lefel y gefnogaeth, neu os bydd ffioedd yn cynyddu. Bydd hyn yn cynyddu symudiad i ffwrdd o'r sector annibynnol (gan gynyddu costau i lywodraeth Cymru, a lleihau enillion net y polisi), a gwneud ysgolion annibynnol elusennol yn sefydliadau mwy cyfyngedig eu natur. Ni fyddai ysgolion annibynnol elusennol yn croesawu'r newid hwn, a fyddai'n cyfyngu ar symudedd cymdeithasol, ac yn lleihau eu gallu i ymgymryd â gweithgareddau budd cyhoeddus elusennol.
33. Ar hyn o bryd, mae yna lefel uchel o waith budd cyhoeddus - yn y flwyddyn academaidd 2020/21, dosbarthodd ysgolion annibynnol elusennol Cymru o leiaf £ 5.1 miliwn (3.5 gwaith incwm gros amcanol y polisi) mewn cymorth ffi prawf modd i dros 600 o ddisgyblion. Mae'r

⁵ Cyfrifir hyn trwy grynhoi cost modelu addysg 100% o'r disgyblion yn yr ysgolion hynny a oedd â gwariant yn fwy na'u hincwm ffioedd yn 2020 gyda chost addysgu 5% o'r disgyblion mewn ysgolion a oedd ag incwm ffi yn fwy na'u gwariant yn 2020.

⁶ £1,400,000 - £10,368,240.65 = colled net o £8,968,240.65

⁷ *The impact of independent schools on the UK economy*, Oxford Economics (October 2018), 44 (Fig. 45).

cymorth prawf modd hwn wedi'i dargedu at y bobl hynny sydd ei angen fwyaf, gan ddarparu buddion ysgol annibynnol i ddisgyblion na fyddent fel arall yn gallu ei gyrchu. Tra mae'r rhain yw'r disgyblion a allai elwa fwyaf o addysg annibynnol, nhw hefyd yw'r rhai mwyaf tebygol o fethu â pharhau i gael mynediad i'r addysg hon os bydd costau'n codi, neu os bydd yn rhaid lleihau cronfeydd bwrsariaeth.

34. Fodd bynnag, ni ellir anwybyddu'r cysylltiad rhwng rhyddhad ardrethi annomestig a gweithgaredd budd cyhoeddus - efallai y bydd yn rhaid dargyfeirio'r arian y gellid ei ddefnyddio i ariannu gweithgareddau budd cyhoeddus i ariannu taliad ardrethi annomestig. Mae disgwyl i lefelau budd cyhoeddus aros yn sefydlog yn afrealistig, tra bod cynnydd pumplyg mewn ardrethi annomestig.
35. Hyd yn oed mewn ysgolion a fedr oroesi'n ariannol y cynnydd pumplyg mewn ardrethi annomestig, bydd yna bwysau sylweddol i leihau costau. Mae hyn oherwydd bod gan bob ymddiriedolwr elusennol ddyletswydd gyfreithiol i sicrhau bod yr elusen yn parhau yn ariannol hyfyw. Byddai'n rhaid i'r lleihad hwn mewn costau fod yn ôl disgrisiwn yr ymddiriedolwyr ond gall y byddai'n cynnwys llai o weithgaredd budd cyhoeddus ar ffurf lleihad mewn partneriaethau rhwng ysgolion annibynnol ac ysgolion gwladol, neu arian bwrsariaeth llai. Nid dyna fyddai dewis ysgolion ond byddai'n ganlyniad naturiol yn dilyn lleihad yn yr arian sydd ar gael i'r elusen ymgymryd â'u gweithgareddau.

Casgliadau

36. Byddai dileu rhyddhad arderthi busnes elusennol ysgolion annibynnol yng Nghymru'n arwain at ganlyniadau ariannol, addysgiadol a chymdeithasol diangen. Bydd yn achosi cynnydd diangen yng ngwariant Llywodraeth Cymru – arian y gellid ei gyfeirio'n well at addysg dal-i-fyny. Mae'r codiadau hyn yn debygol o fod yn fwy na refeniw gros y polisi gan gynrychioli colled net i Lywodraeth Cymru a threthdalwyr.
37. Ar yr un pryd, byddai'r polisi'n peri i ysgolion annibynnol for yn llai hygyrch i rieni Cymru, yn bygwth cau ysgolion, ac yn rhoi cyflogaeth athrawon a staff cymorth mewn perygl yn yr ysgolion hyn. Lle byddai ysgolion yn aros ar agor, byddai ganddynt lai o adnoddau i ddarparu budd cyhoeddus drwy gymorth ffioedd a gweithio mewn partneriaeth.
38. Credwn na ddylai Llywodraeth Cymru gynnwys unrhyw bolisi ar ddileu rhyddhad ardrethi annomestig mandadol o ysgolion annibynnol elusennol yn y gyllideb ddrafft, ac y dylent fanteisio ar y cyfle i roi diwedd, yn ffurfiol, ar ystyriaeth o'r polisi hwn. Byddem yn hapus i ateb unrhyw gwestiynau pellach oddi wrth y Pwyllgor, neu gyfrannu gwybodaeth bellach unwaith y bydd y gyllideb ddrafft yn destun craffu.



Welsh Parliament, Finance Committee

Cyngor Ysgolion Annibynnol Cymru / Welsh Independent Schools Council

Call for information – Welsh Government draft budget proposals for 2022-23

Submission of the Welsh Independent Schools Council (WISC)

A Welsh language version will follow in due course.

Summary

1. The Welsh Independent Schools Council (WISC) represents 65 independent schools, 20 of which have charitable status. We have been supported in this submission by the Independent Schools Council (ISC) who represent and collect data on schools across the UK.
2. We are responding primarily to Question 6 in the Committee's Annex 2 (*"Do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?"*) In particular, our response addresses the sub-question *"How the Welsh Government should use taxation powers."*
3. We are also responding in the context of Welsh Government policy proposals to remove mandatory non-domestic rates (NDR) relief from charitable independent schools. The Welsh Government held a [consultation on the removal of NDR relief](#) from charitable independent schools (and some other charities) between January and May 2020). The Welsh Government's response in [the summary](#) was that they *"will consider the responses to this consultation in full. Any specific policy proposals will be subject to further consultation,"*. In the absence of any further update, we consider this a policy still under consideration by the Welsh Government.
4. In light of this, we are responding to this consultation to repeat aspects of the submission we made in our 2020 evidence to the Welsh Government: the removal of mandatory NDR relief from qualifying independent school charities in Wales **risks a net financial loss to the Welsh Government and taxpayer**. The increase in children taking up state school places is likely to cause the increased costs to outweigh any additional tax revenue. In our comparisons, we continue to rely on the revenue predicted by the Welsh Government in their consultation, where they suggested that £1.4 million would be raised through the removal of NDR relief.
5. As well as risking a financial loss to the Welsh Government, the removal of charitable relief would cause fee rises in independent schools. Ultimately, this would limit Welsh parent's school choice - which would be particularly serious for families who have chosen independent schools to meet a special educational need, or a desire for particular religious/philosophical education.
6. While we are primarily responding on behalf of our member schools, we are aware that there are 79 independent schools in Wales, at least 23 of which have charitable status. We hope that the Welsh Government does not include any such proposals in their draft budget but want the Committee to be well prepared to scrutinise such a policy if it is proposed. We would be happy to answer any further questions the Committee might have, you can contact Emma Verrier [REDACTED], WISC CEO.

Context

7. Welsh Government figures show at least 9,800 pupils attend independent schools in Wales.¹ ISC figures show that at least 5,500 of these pupils are currently on roll at WISC charitable independent schools. The removal of NDR relief would affect at least 23 of the 79 independent schools in Wales (approximately 30%) but would have a disproportionate impact on pupils – affecting approximately 57% of pupils educated independently in Wales.
8. WISC charitable independent schools are diverse in terms of size, geography, and educational offering. They are present in 9 local authority areas, and range in size from fewer than 10 pupils to more than 1,200. Educational specialisms include special educational needs, musical education, religious ethos, and educational philosophy (e.g. Steiner schools). All independent schools contribute savings to Welsh education budget, through state-funded places not being taken up.
9. Charitable independent schools in Wales presently receive the same mandatory relief from NDR as every other charity in Wales, comply with all relevant charity law, and are subject to the same regulation by the Charity Commission. They are a fully integrated, and equal, part of the charitable sector. The removal of the charitable reliefs for only limited types of charity (independent schools) would create a two-tier charity sector in Wales, creating artificial distinctions between charities and unfair treatment of one group of charities.
10. Charitable independent schools, like all charities, undertake public benefit work. It is the responsibility of every school, and its charitable trustees, to determine what public benefit activity is most useful. This is in line with every other regulated charity, and annual reports are provided to the Charity Commission and are published on their website.
11. Most often, this public benefit work takes the form of partnerships with local state schools or community groups, or bursaries which widen access to independent schools. In the last academic year for which data is available (2020/21), more than 600 pupils in WISC charitable independent schools received means-tested fee assistance –allowing them to attend a school they would otherwise not be able to access. In that academic year, this means-tested fee assistance amounted to at least £5.1 million of means-tested support provided by WISC charitable schools alone – more than three times the gross value which the removal of non-domestic relief is projected to raise.
12. Charitable reliefs are not a ‘reward’ for public benefit activity, but a tax benefit to allow every charitable institution to devote as much money as possible to their charitable activities. Similarly, charitable independent schools do not perform public benefit activity to ‘justify’ their charitable reliefs, but because it is part of their identity as charities.

Financial effects of the policy

13. Instead of providing £1.4 million in funding for services, removal of charitable reliefs would mean increased expenditure by the Welsh Government, and a net loss in revenue. Many charitable independent schools in Wales could not absorb the five-fold increase in NDR and would have to consider fee increases. As well as making schools less accessible for parents, this would inevitably reduce demand, and lead to children taking up places in the state education system.

¹ *Number of pupils by local authority, region and age group*, Welsh Government (September 2021). <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Independent-Schools/Pupils/number-by-localauthorityregion-agegroup>. Accessed 15/11/2021.

14. Therefore, any proposal to remove charitable reliefs also relates to the Committee’s question on how resources should be prioritised in sectors such as education which need to “catch up.” Removal of charitable reliefs would move Welsh Government resources from children and schools which need them most to paying for places of children currently independently educated.
15. Analysis by ISC shows that even a movement of 5% of pupils from charitable independent schools would almost entirely use up the predicted revenue from the policy, leaving approximately only £37,145 net income nationally (See paragraph 21 below). As this does not model the need for capital expenditure (for instance, teacher recruitment or school extension), it is likely the removal of NDR relief would represent a net loss to the Welsh taxpayer.
16. It should be remembered that the provision of charitable NDR relief, valued by the Welsh Government at £1.4 million, is part of the operational model of WISC charitable independent schools. These schools provide at least 5,500 school places, saving the Welsh Government at least £27.2 million from the education budget.
17. This means that the annual saving to the Welsh education budget from charitable independent schools is almost 20 times greater than the projected (gross) income from the removal of NDR relief.²

Effects of fee rises

18. Schools are likely to have to offset the increased costs of NDR through fee rises, which would have the immediate effect of making the benefits of charitable independent schools less accessible for Welsh children.
19. Pre-existing tight margins, and the impact of COVID on school budgets, mean that schools would have limited headroom to absorb increased costs themselves, and would need to pass them on.
20. At the same time, the wider effects of the pandemic on family budgets is expected to have reduced parents’ ability to afford increased fees. Thus, fee rises, while necessary, would also lead to movement of children away from charitable independent schools – reducing the amount of money they save the Welsh Government.
21. To demonstrate the financial risk posed by this policy, we have modelled different scenarios of fee increase, pupil movement, and the resulting effect on the Welsh education budget:

Pupil Movement %	Cost to Education Budget	Net income raised from removal of mandatory NDR relief (as percentage of gross projected income)
2.5%	£681,427.18	£718,572.83 (51.3%)
5%	£1,362,854.35	£37,145.65 (2.7%)
10%	£2,725,708.70	-£1,325,708.70 (-94.7%)
20%	£5,451,417.40	-£4,051,417.40 (-289.4%)

Figure 1³

² Analysis by ISC has found that the cost of educating every pupil presently in Welsh charitable independent schools would be at least £27,257,087, which is 19.5 times the projected gross income of £1.4 million.

³ ISC combined the local authority per-pupil spending figures by local authority with the number of pupils at charitable independent schools in that local authority area. This produced the projected additional cost

22. In practice, as this modelling has ignored any capital costs (such as classroom expansion, buying of additional learning resources, or training and employing new teachers) involved in educating an additional 280 pupils annually (approximately 5% pupil movement), it is likely that removal of NDR relief would come at a net cost to the Welsh Government.

Potential school closures

23. As well as their financial benefit to the Welsh education budget, charitable reliefs are an established part of the financial landscape which schools have used to develop their business models – their removal would inevitably cause consequences for the schools affected.

24. Charitable independent schools frequently operate with tight financial margins, always reinvesting any surplus into charitable activities. Removal of the mandatory relief would amount to a five-fold increase, and this would inevitably risk closure among institutions which operate on tight margins.

25. Therefore, not every charitable independent school could afford to continue operating with the loss of 5% of pupils. While we cannot speculate on commercially sensitive information, Charity Commission data for the 2020 financial year showed that at least 5 WISC charitable independent schools had expenditure greater than their fee income.⁴ We do know that all WISC schools, including charitable WISC schools, will be facing significant financial pressures even without a five-fold increase in NDR. Schools' costs will be compounded by the 43% rise in the cost of the Teacher's Pension Scheme (TPS), the health and social care levy rise in National Insurance, and the continuing effects of the pandemic. If these costs were added to by a five-fold increase in NDR, schools may be forced to close.

26. If these 5 schools were forced to close, with 100% of pupils entering the maintained sector, the total additional cost to the Welsh education budget would be £10.4 million (or approximately seven-and-a-half times the projected income of the policy).⁵ In total, this would mean the policy would have a net cost to the Welsh education budget of at least £9 million.⁶

Wider economic and employment effects

27. In addition to being charities, and educational institutions, charitable independent schools are centres of employment – both through direct staff employment and employment directly supported in their supply chains. More than 800 teachers are directly employed by charitable independent schools across Wales, alongside support staff and jobs in the supply chain.

28. Research undertaken by Oxford Economics, on behalf of ISC, found that independent schools in Wales (both charitable and non-charitable) directly contributed £87 million to the Welsh economy and contributing £22 million in taxation.⁷

29. While it isn't possible to localise these figures to individual schools, it is known that particular independent schools in more rural locations are significant local employers, and supporters of

of educating every pupil in a local authority school - ££27,257,087. 5% of this figure, therefore the cost of educating 5% of pupils, is £1,362,854.35 The local authority figures reference is: *Delegated schools budgets by authority*, Welsh Government (July 2021). <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Delegated-School-Budgets/delegatedschoolbudgets-by-authority>. Accessed 16/11/2021.

⁴ This number may be higher, as at least four additional WISC charitable independent schools are part of larger charitable trusts, meaning individual financial data is not available.

⁵ This is calculated by summing the modelled cost of educating 100% of the pupils in those schools which had an expenditure greater than their fee income in 2020 with the cost of educating 5% of the pupils in schools which had a fee income greater than their expenditure in 2020.

⁶ £1,400,000 - £10,368,240.65 = net loss of £8,968,240.65

⁷ *The impact of independent schools on the UK economy*, Oxford Economics (October 2018), 44 (Fig. 45).

local businesses. Were these schools to fail, the hardship would occur in communities and business least able to find alternative sources of income. We expect that this hardship will only be magnified by the economic impacts of COVID-19.

30. Therefore, WISC strongly believes it is in the best financial interest of the Welsh Government to maintain charitable NDR relief for independent schools, and safeguard these schools survival, rather than risk incurring a net loss to the education budget.

Educational & social effects of the policy

31. Although we recognise that the Committee's work is primarily financial, there would be wider educational and social impacts which we think are relevant for the Committee's strategic scrutiny of the draft budget. Independent schools in Wales are part of the education system – and provide public benefit to other schools through partnership, and to pupils in need through bursaries and scholarships.
32. While charitable independent schools will continue to provide as much public benefit as possible, the level of bursary provision would have to adapt were there to be a five-fold increase in NDR. Given the nature of means-tested bursary support, it is highly likely that the pupils receiving it will be unable to continue at a charitable independent school if the level of support has to be reduced, or if fees increase. This will both increase movement away from the independent sector (increasing costs to the Welsh government, and decreasing the net gain of the policy), and make charitable independent schools more exclusive institutions. Charitable independent schools would not welcome this change, which would limit social mobility, and reduce their ability to undertake charitable public benefit activities.
33. Presently, there is a high level of public benefit work – in the academic year 2020/21, Welsh charitable independent schools distributed at least £5.1 million (3.5 times the projected gross income of the policy) in means-tested fee assistance to more than 600 pupils. This means-tested assistance is targeted at those people who need it most, providing the benefits of independent school to pupils who would not otherwise be able to access it. While these are the pupils who may benefit most from independent education, they are also those most likely to be unable to continue to access this education if costs rise, or if bursary funds have to be reduced.
34. However, the link between NDR relief and public benefit activity cannot be overlooked – the money which could be used to finance public benefit activities may have to be diverted to finance payment of NDR. It is unrealistic to expect that levels of public benefit will remain stable, while NDR increase five-fold.
35. Even among schools which can financially survive the five-fold increase in NDR there will be significant pressure to reduce costs. This is because all charitable trustees have a legal duty to ensure that the charity remains financially viable. This cost reduction would have to be at the discretion of the trustees but may include reduced public benefit activity in the form of reduced independent-state school partnerships, or smaller bursary funds. This would not be the preference of schools but would be a natural result of the charity having less money available to undertake their activities.

Conclusions

36. The removal of charitable business rate reliefs from independent schools in Wales would have unwanted financial, educational, and social consequences. It will cause unnecessary increases in Welsh Government spending – money which could be better directed to educational catch up. These increases are likely to exceed the gross revenue of the policy and represent a net loss to the Welsh Government and taxpayer.

37. At the same time, the policy would serve to make independent schools less accessible to Welsh parents, threaten school closures, and risk the employment of teachers and support staff in these schools. Where schools did remain open, they would have fewer resources available to provide public benefit via fee assistance and partnership working.
38. We believe the Welsh Government should not include any policy on the removal of mandatory NDR relief from charitable independent schools in the draft budget, and that they should use the opportunity to formally end consideration of this policy. We would be pleased to answer any further questions from the Committee, or to contribute further information once the draft budget is under scrutiny.

22nd November 2021

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

23rd November 2021

Dear Peredur Owen Griffiths MS,

RE: Welsh Government Draft Budget

Barnardo's Cymru welcomes the opportunity to feed into this consultation ahead of the budget, which comes at an urgent time for many children and young people in Wales.

We have outlined some key priorities below.

Mental health support for children and young people in Wales

Like all of us, children and young people in Wales have been through an incredibly traumatic period since the pandemic began.

We are only beginning to understand what the longer-term physical and mental health impacts of this will be, but data from Barnardo's UK-wide Quarterly Practitioner Survey suggests that mental health and emotional wellbeing has been – and continues to be – significantly affected.

In July 2021, 95% of 275 respondents said that they thought 'there has been an increase in the number of children and young people experiencing mental health and wellbeing issues compared to before the Covid-19 pandemic.'

It is not just children and young people's mental health which has been impacted upon, as our family support services are seeing increasing levels of inter-parental conflict too. By tackling this at the earliest possible stage, we

can reduce mental health problems in children and young people, lower the numbers of looked after children, reduce demand on family courts, as well as combat its escalation into domestic abuse.

Domestic abuse related crime constitutes 1 in 6 of all crimes recorded by the police in England and Wales and over a third of all recorded violence against the person crimes, while the National Crime Survey for England and Wales shows that 5.5% of adults aged 16 to 74 years (2.3 million) experienced domestic abuse in 2019-2020.² Research has found that 12% of under 11s, 17.5% of 11–17s and 23.7% of 18–24s had been exposed to domestic abuse between adults in their homes during childhood.³

Barnardo's Cymru would make the following recommendations:

- Increase community-based, non-clinical therapeutic support for children and their families. Examples of this include Barnardo's Cardiff Family Wellbeing Service, and Golau, providing mental health support to young people on Anglesey who are pre-Child and Adolescent Mental Health Services (CAMHS).

These services provide critical support to those children and young people who are pre-CAMHS but are still in need of support. This area is both incredibly important and significantly underdeveloped, as evidenced in the Children, Young People and Education Committee's report *Mind Over Matter*.¹

- Ensure that there is a sufficiently resourced, genuine 'no wrong door'² approach with tie-in between services across the board which include where appropriate a whole-family approach.
- Introduce a specific fund aimed at providing training on evidence-based approaches to dealing with inter-parental conflict for children's social care staff statutory and voluntary sector.

Supporting vital services for children and families in Wales

Vital services are provided to children and families across Wales, including family support, dealing with the impact of child sexual abuse, domestic abuse and many other issues.

¹ *Mind Over Matter: A report on the step change needed in emotional and mental health support for children and young people in Wales* <https://www.exchangewales.org/wp-content/uploads/sites/14/2020/06/cr-ld11522-e.pdf>

² https://www.childcomwales.org.uk/wp-content/uploads/2020/06/NoWrongDoor_FINAL_EN230620.pdf

These services are often funded year-to-year with little clarity about the funding situation in the coming financial year, often until very close to the date at which a service would either need to renew or close.

This creates issues such as retention and recruitment of staff under such uncertain circumstances, and the ability of services to offer support to children and families in the longer term.

To mitigate this, we would urge Welsh Government to consider either to extend the Intermediate Care Fund (ICF) beyond its anticipated end date, or to provide an uplift to children's services budgets to replace it. The ICF has funded innovative work that has reduced numbers of looked after children and helped strengthen families across Wales. Examples of this include the Barnardo's Cymru Rapid Response Service in Newport and Monmouthshire Families Together.

A longer-term solution in relation to this issue is potentially for multi-year funding arrangements. This would provide organisations with the assurance that they need to deliver in a way that creates certainty for staff, supports families and helps continually build expertise and excellence.

Opening Closed Doors, a Barnardo's Cymru whole-family domestic abuse service in Gwent, is a key example of these challenges. Opening Closed Doors has provided a lifeline to many families throughout the pandemic and has achieved outstanding results. The service has supported over 450 families since its inception in 2019 but faces an uncertain future after March 2022.

Opening Closed Doors was independently evaluated by the Institute for Public Care (IPC), which found that there was positive evidence that children participating in Opening Closed Doors were living in a safer and more stable home environment by the end of an intervention and had improvements in their mental health and emotional wellbeing. This included examples of children being able to communicate their feelings rather than keeping them hidden, having better understanding that the abuse was not their fault and appearing to be more resilient with a reduction in angry outbursts, self-harm and other manifestations of trauma.

To take action on these issues we would urge Welsh Government to:

- Consider allocating local authorities longer term funding across the flexible funding portfolio, and to consider what will replace the Intermediate Care Fund (ICF)

- Invest in a whole family approach to tackling DA such as Opening Closed Doors in Gwent. (To provide fuller information about the service, including costings, I have attached our Opening Closed Doors proposal to this letter.)

We appreciate the opportunity to feed into this consultation ahead of the Welsh Government's Draft Budget and would be happy to provide more information if that would be of use.

Yours sincerely,



Sarah Crawley

Director of Barnardo's Cymru and South West

About Barnardo's Cymru

Barnardo's Cymru has been working with children, young people and families in Wales for over 100 years and is one of the largest children's charities. We currently run more than 60 diverse services across Wales, working in partnership with local authorities. Each year we regularly support more than 10,000 children, young people and families. We aim to secure better outcomes for more children by providing the support needed to ensure stronger families, safer childhoods and positive futures. We use the knowledge gained from our direct work to campaign to improve the lives of children, young people and families by promoting positive change in policy and practice. We believe that with the right help, committed support and belief all children can fulfil their potential.

	The Welsh NHS Confederation response to the Finance Committee scrutiny of the Welsh Government's 2022-2023 Draft Budget proposals.
Contact:	Nesta Lloyd-Jones (Assistant Director): [REDACTED]
Date:	24 November 2021

Introduction

1. The Welsh NHS Confederation welcomes the opportunity to respond to the Finance Committee's scrutiny of the Welsh Government's Draft Budget 2022-23 proposals.
2. The Welsh NHS Confederation represents the seven Local Health Boards, three NHS Trusts, Digital Health and Care Wales and Health Education and Improvement Wales (our Members). We also host NHS Wales Employers.
3. The COVID-19 pandemic is arguably the biggest challenge the health and care system across the UK, and the world, has ever faced, with unprecedented demand and pressure on the system resulting in worsening health inequalities, performance against targets, workforce pressures and funding shortfalls. To recover from the pandemic, the NHS must transform what care it delivers and how it is delivered. That means now is the moment to scale up recent innovations in digital care and patient experience and embed integration to improve patient outcomes and reduce inequalities.
4. As the membership body representing NHS leaders, we ask that the Welsh Government budget for 2022-23 supports the NHS by:
 - Providing additional funding to cover ongoing COVID-19 costs, recovery of care services and addressing the backlog in elective care.
 - Providing Local Authorities allocations that are ring-fenced for social care funding to support system-wide health and wellbeing sustainability. This could be expanded to elements of education and housing budgets as appropriate.
 - Setting a nominal proportion of health and social care funds which should be spent on preventative activities and to hold spending bodies to account for the use of these monies. In this approach, the variation in underlying need for preventative activities is taken into account in the allocation formula.
 - Providing recurrent funding to support the pump priming of 'upstream/out of hospital' transformation and long-term service development.
 - Developing a 5-year investment plan for service change to reshape the NHS estates and infrastructure, including digital, making them more sustainable, reducing carbon emissions and maximising public assets.
 - Publishing an ambitious cross-government strategy and delivery plan to tackle inequalities, and invest in long-term prevention across all sectors, especially housing, education and transport. Also, work in partnership with people and communities to change lives for the better.
 - Increasing investment in NHS workforce so we continue to see an increase in the number of students and trainees across a range of professional groups.



- Recognising the significant contribution the NHS makes to wider economic and social recovery when allocating funding. More than ever, the past 20 months have shown the NHS to be a significant economic force and an ‘anchor institution’, which positively impacts on people’s wellbeing, provides employment and boosts local economies. The NHS will be able to do this even more effectively with adequate funding. As large employers, purchasers, and capital asset holders, NHS organisations are well positioned to use their spending power and resources to address the adverse social, economic, and environmental factors that widen inequalities and contribute to poor health outcomes.
5. Finally, the response from NHS Wales organisations to the challenges of the pandemic serve to demonstrate that the system can respond quickly and effectively to challenges when the resource framework supports the direction of travel and aims to achieve the same outcomes. The NHS is clear: when the financial and resource backing is there, the NHS can evolve quickly and effectively to respond to the challenges it faces.
- 1. What, in your opinion, has been the impact of the Welsh Government’s 2021-22 budget including funding related to COVID-19?**
6. The Welsh Government 2021-22 budget recognised the ongoing need to stabilise the health system following the pandemic and it provided significant additional financial support to Health Boards and NHS Trusts as they continued to respond to the challenges in the health and social care system, including the financial challenges.
7. With regard to the NHS, the Welsh Government COVID-19 funds have enabled the NHS to maintain financial stability whilst also supporting:
- At a local level, to be COVID-19 ready and for NHS services to continue their COVID-19 response through a period of increasing infection rates;
 - The recovery of waiting lists and waiting times that have grown significantly during the pandemic;
 - The continued successful delivery of all-Wales programmes to support the containment of the pandemic, including Test Trace Protect and the vaccination programme;
 - The capacity of the NHS to respond to increased emergency pressures and prepare for an extremely difficult winter;
 - The social care system, including discharging patients from hospital;
 - The health and wellbeing of NHS staff.
8. The budget has enabled the NHS to support the vaccination programme, manage COVID-19 at the current level and make plans for the backlog reductions. It has also given the NHS opportunities to manage increased unscheduled care demand, with the limiting factor being availability of workforce rather than finance.
9. The funding has enabled many NHS organisations in Wales to implement changes and support innovative service models by integrating services across sectors, shifting services upstream and taking a preventative approach to design and

delivery. The NHS in Wales response to COVID-19 created a need to radically rethink and accelerate the way the service interreacts with patients and delivers care. The Welsh financial response has been supported by upscaling, accelerating and adopting new digital solutions, as highlighted within [The NHS Wales COVID-19 Innovation and Transformation Study Report](#). It also capitalised on the data, software and functionality that already existed, but which now incorporates greater flexibility and reporting.

10. The additional funding has allowed NHS organisations to amend their forecast for 2021-22. However, the forecast remains fluid in terms of COVID-19 response requirements for future months and the impact on the delivery of savings. The delivery of savings remains a challenge across Health Boards and Trusts in Wales and a significant proportion of planned recurring savings assigned to improve the underlying position are currently not forecast for delivery in 2021-22. Therefore, further efficiency savings are required to help secure financial sustainability and support service and quality improvements going forward.
11. Opportunities will continue to focus on improving the efficiency of services; providing a safe, secure and healthy NHS estates environment; and the effective use of resources.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

12. The priority areas should remain focused on managing the pandemic, recovering elective waiting times and maintaining financial stability. In addition, support would be welcomed in addressing capacity difficulties in mental health recovery, emergency services, social care, primary care and improvements in the infrastructure to allow for innovation in support of COVID-19 management.
13. The budget must help the NHS recover and continue to manage the direct and indirect costs of COVID-19. The pandemic's effects on the NHS are two-fold. Firstly, it introduced a range of new costs, such as test and trace, PPE, vaccination and long COVID. Secondly, COVID-19 increases the costs of providing normal NHS services and meeting performance targets. The pandemic reduces the service's productivity while increasing the backlog for physical health and mental health services. COVID-19 also exacerbates issues such as mental ill-health, an underfunded social care system and workforce supply.
14. Reducing the elective backlog will take sustained investment over many years and a commitment from the Government. Reducing the elective backlog must consider all parts of the health and social care system, not just acute hospital settings. Mental health, primary and community care form an eco-system that helps patients wait well before elective treatment. Ambulance services, for instance, play a critical role in supporting communities and working across the entirety of the NHS. They have a unique role in connecting with all parts of the NHS, as well as other emergency services, and can play a big role in helping transform the way that patients interact with the health service. There is a need for recurrent funding to

support the pump priming of 'upstream/out of hospital' transformation and long-term service development.

15. In addition to day-to-day funding, capital investment is key to continue to deliver high-quality, safe health services as well as meet longer-term goals to integrate care. Creating a multi-year capital funding settlement for the entire NHS would support reducing the backlog, ensure the safety of the NHS estate, embed positive pandemic-era changes, and truly make inroads to reducing inequalities by transforming models of care. Research shows capital constraints hamper the ability of NHS organisations to successfully deliver care, that the state of the built environment affects patient outcomes, and staff are more productive when they have the right up-to-date equipment to efficiently treat patients.
16. A key area where greater capital funding could have an impact is in embedding recent digital innovations accelerated by the pandemic. COVID-19 has highlighted the opportunities across the health and care system afforded by digital technology. Its availability, dependency, access, resilience and security are now essential to ensure the continuity of services and NHS organisations are committed to building on the progress made. The Track Trace Protect system has demonstrated the art of delivering a minimal product on a national scale safely, quickly and efficiently. There are future opportunities to accelerate the shift to data driven, value-based and locally delivered models of care. It is important that the Welsh Government's investment priorities in 2022-23 include a significant digital aspect. This means safeguarding and developing the infrastructures that NHS Wales organisations have already developed nationally and locally, but also ensuring transformations in patient pathways continue to support not only the COVID-19 recovery, but also the transition more generally to a healthier Wales.
17. Investing in workforce growth and retention is also key. The NHS workforce has worked tirelessly to fight COVID-19 and protect our communities during the pandemic. As a result, they are understandably exhausted and NHS leaders worry about burnout and the risk of people leaving. Employers are adopting a range of strategies to [support staff wellbeing](#) in the best way possible to ensure we retain our valuable people resource. It is important that we continue to see an increase in student and trainee numbers across a range of professional groups. Well recognised benefits of investing in student education and staff training extend beyond financial and include benefits to patient experience, quality and continuity of care, a reduction in complaints and adverse incidents. Health Education and Improvement Wales (HEIW) has undertaken work which shows that investing in additional nurse student placements can be repaid in a little over a year of those students graduating and working within the health system and social care system in Wales through reducing reliance on agency staff. It is also evident that investment in educating and training existing staff to acquire new skills and expertise is essential to support NHS Wales' drive to deliver new ways of working and adopt innovative technology, which supports the sustainability of the system and patients to maintain physical and mental wellbeing at home. This is of particular relevance given the immediate and medium-term challenges brought about by the COVID-19 pandemic, including rehabilitation.



18. Finally, NHS Wales organisations also recognise that partners across the public sector are facing acute financial challenges due to COVID-19. To enable health and wellbeing systems to operate effectively, the whole system needs to be appropriately resourced and this will include increasing the funding provided to social care. Social care services play a crucial role in continuity of care pathways and protecting NHS capacity by keeping people well for longer outside of hospital, and enabling faster, safer discharges home. The last 20 months have exposed deep cracks in the system and have exacerbated structural vulnerabilities, with devastating consequences for social care residents and their families. The introduction of a health and social care levy is a good first step towards a long-term plan for social care, but the challenge is much more than finding a funding mechanism, crucial though that is. In addition, increasing tax on NHS and social care employers through increased national insurance contributions may prove counterproductive. It is vital to ensure appropriate access for those who need support, with adequate state funding to improve access and quality of care. We also need to secure a stable provider market which is providing the right model of care. A sustainable workforce is also required which is properly valued, paid and respected for this vitally important work.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

19. Whilst NHS Wales organisations welcome the additional funding provided by Welsh Government, there is a concern that the ongoing impact of the COVID-19 pandemic will significantly hinder NHS organisations ability to recover services and to shift the focus onto achieving sustainability and delivering transformation.

20. The NHS has started its resource planning for 2022 - 23. Managing resources was extremely challenging in 2020 - 21 due to uncertainties of resources available and this was eased somewhat in 2021-22 due to earlier resource planning assumptions being made available.

21. An earlier indication of resources available for 2022-23 would enable robust planning in time for the Integrated Medium-Term Plan (IMTP) cycle, where final plans have been requested for approval before March 2022. There is a need for more clarity on the NHS national COVID-19 planning assumptions to inform budget planning assumptions.

22. These plans should include a degree of scenario and risk planning to address ongoing uncertainties. Earlier indication of available resources will support this and enable the NHS to make informed decisions around several competing priorities that support good value and outcomes whilst maintaining financial stability.

23. Investments planned to support patient services as part of medium-term plans have been redeployed to manage the COVID-19 pressures and this deferment will have an impact on future delivery, recognising the pandemic has acted as a catalyst for change in some circumstances e.g. digital and agile working. These

changes need to be consolidated and capitalised upon to maintain the good practice for patient care.

24. It will be challenging to focus attention on the delivery of transformational services as operational services rightly focus on meeting the challenges brought about by the COVID-19 pandemic, particularly with regard to the impact on the NHS Wales workforce. The delivery of savings will remain a challenge across NHS Wales organisations. As a consequence, the underlying financial position across NHS Wales as a whole will remain a significant challenge.

25. Finally, transparency regarding the level of funding held in reserve at the centre and for all-Wales projects would also be useful to ensure a clear picture could be communicated regarding what is required.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

26. During the ongoing period of the pandemic and given the uncertainties of budgeting at a national level, it might be appropriate to scrutinise the application of consequential received after the main annual budget motion has been completed.

27. Changes to the budget should be minimised once made to ensure clarity. However, changes could be made in exceptional circumstances, such as a significant COVID-19 wave caused by a new variant.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

28. The financial support provided in Wales has been sufficient to meet this public health emergency. Wales has been at the forefront of many achievements when in comparison with other parts of the UK, including research, increased laboratory testing capacity, the vaccination programme and innovation in maintaining elective and core services.

29. It is important to note that most of this funding will be required non- recurrently for a few years until the services return to some form of normality. Increased borrowing would be supported to allow for greater flexibility in supporting the resetting of public services going forward. As we emerge from the COVID-19 pandemic we need to identify and support new opportunities to improve health and reduce inequalities, ensuring we improve on our pre-pandemic population health status.

30. Additional COVID funding is required to treat patients with the virus, take measures to limit the spread within healthcare facilities and recover the backlog in elective work due to the cessation at the height of the pandemic.



6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?
- How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.
 - What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).
31. The Welsh Government, when considering economic recovery and 'building back better' must place the NHS at the heart of all national COVID-19 recovery and economic plans. The civic, economic and social impact of the NHS will be particularly important in delivering on the Government's economic priorities.
32. The UK faces a further period of economic uncertainty as COVID-19's long economic tail continues to be felt throughout our communities. Thankfully, the NHS doesn't just treat patients but plays a significant economic role too, which is highlighted in our briefing, [Health, wealth and wellbeing: The NHS' role in economic and social recovery](#). NHS Wales should be considered an 'anchor institution' as it is well-positioned to use its spending power and resources to address adverse social, economic and environmental factors that widen inequalities and contribute to poor health. The term usually refers to large, typically non-profit organisations whose long-term sustainability is tied to the wellbeing of the populations it serves. For example, NHS Wales organisations are often the largest employers in local areas, with over 100,000 people employed by the NHS in Wales. In addition to direct employment, NHS Wales is estimated to support almost 145,400 jobs and £5.4bn of gross value added (GVA), which was highlighted in the Cardiff University research, [NHS Wales and the Regional Economy](#). This accounts for 11% of total Welsh employment and 9% of Welsh GVA, excluding important impacts via NHS Wales' capital spending programme. The research highlighted that every £1bn of direct NHS revenue spending supports an estimated 19,000 total jobs in the Welsh economy. As the link between employment and wellbeing is so well-established, increasing the amount of hiring an NHS organisation does locally may be an opportunity to increase the impact it has on the wellbeing of local communities.
33. In addition, NHS Wales is a key purchaser of goods and services, and a capital estate holder and developer. Both functions mean that NHS Wales, directly or indirectly, has an impact on the conditions and wellbeing of workers that are not employed directly in the health and social care sector. We would emphasise that the NHS needs to be viewed as a force for economic regeneration, so it can best support population health and play a key role in keeping the Welsh population happy, active and healthy.
34. The size, scale and reach of the NHS means it has a significant influence on the health and wellbeing of local populations. It will play a vital role in raising wellbeing

and addressing the challenge of reducing regional inequalities throughout Wales. Health, wellbeing and the economy are bound tightly together; a healthy (physically, psychologically and socially) population results in a more economically active population. Interventions designed to improve health, inclusive growth and wellbeing in Wales should be a shared priority as they are in the interests of all local, regional and national partners, businesses and communities..

35. As the NHS seeks to reset its services and priorities, it will focus on how it can influence wider community issues in its role as an anchor institution. This includes how its resource allocation and utilisation can support local economic development, influence social and economic determinants of health, reduce its carbon footprint and help build sustainable communities.

- **To what extent alleviating climate change should be prioritised in supporting economic recovery.**

36. Alleviating climate change must be a priority in supporting economic and social recovery but further investment is required to support public bodies to reach the net zero target by 2030 set by Welsh Government in [NHS Wales Decarbonisation Strategic Delivery Plan](#).

37. The climate crisis has serious direct and indirect consequences for the health and wellbeing of the population. A 2018 [Public Health Wales report](#) on reducing health risks associated with road traffic air pollution in Wales stated “*the societal cost of air pollution from health service costs and lost work-days is estimated to be £1 billion each year*”. Exposure to air pollution is estimated to cause the equivalent of 40,000 premature deaths in the UK each year, with an estimated burden on early deaths in Wales in an equivalent range of between 1,000 and 1,400.

38. NHS organisations have a significant impact on the environment and are some of the largest contributors to climate change and air pollution. Delivering high-quality health and care places numerous demands on natural resources and the environment, such as: the use of energy, water and consumables, including single-use plastics; waste production and waste management; travel, which requires fossil fuels and contributes to air pollution.

39. NHS Wales organisations are looking at establishing new, local supply chains using its buying powers, which will have the additional impact of shortening the supply chain and reducing carbon. In addition, making better use of digital technology across our services and communities, including video consultations, will reduce the environmental impact of healthcare delivery.

40. Given its large carbon footprint, any action taken by the NHS to support responsible consumption and reduce waste has a significant impact on the environment. This is important not only to reduce carbon impact but to support more sustainable utilisation of finite resources overall across Wales and the UK. The NHS has the power and responsibility to influence action on a broader scale, to reduce its contribution to climate change and protect resources for the health of future generations.



- **How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.**
 - **Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).**
41. NHS Wales leaders recognise that partners across the public sector are facing acute financial challenges due to COVID-19. The whole system needs to be appropriately resourced, from social care, housing to education. This will allow it to respond to the significant demand facing the NHS and enable health and wellbeing systems to operate effectively.
42. In addition to recognising the impact that a range of organisations and sectors have on the populations health, there also needs to be a shift to increasing preventative spending. The shift to increasing preventative spending needs to be supported with very clear evidence and data to demonstrate a cause-and-effect relationship between these competing factors along with a clear impact timeframe. This will provide confidence to the public and patients of Wales that the improved future health state is worth investing in now in comparison with short term investment in treatments. NHS Wales organisations are committed to delivering on the vision set out in the Well-being of Future Generations (Wales) Act 2015. This supports new ways of working across the health and social care system and acts as a framework for considering how the impact of decisions made in the here and now will likely impact the health and wellbeing of future generations.
- **Welsh Government policies to reduce poverty and gender inequality.**
43. The pandemic has demonstrated the inextricable link between wider determinants of health, such as housing, education and employment. Improving physical and mental health and wellbeing, as well as reducing health inequalities, should be a key outcome across all departments of Government. But the NHS alone cannot fight health inequalities. A shift towards a preventative approach therefore requires tackling the underlying causes of health inequalities, with investment targeted at infrastructure and services which provide sustainable solutions. We are calling for the Welsh Government to publish an ambitious cross-government strategy and delivery plan to tackle inequalities. It should also invest in long-term prevention across all sectors, especially housing, education, health, energy, and transport, working in partnership with people and communities to change lives for the better.
44. Health inequalities are the result of many and varied factors, arising as a result of the social and economic inequalities that shape the conditions in which people are born, grow, live, learn, work and age. The NHS alone does not hold all the levers required to create the necessary conditions for good health and wellbeing. Meaningful progress will require coherent, strategic efforts across all sectors, using their available resources, expertise and relationships to close the gap.
45. While COVID-19 has revealed and exacerbated pre-existing health inequalities, there have been many detailed and well-evidenced reports on health inequalities in recent years. In just the past year, many reports have called for system-wide

action on health inequalities including the Welsh Health Equity Status Report initiative, [Placing health equity at the heart of the COVID-19 sustainable response and recovery](#) (Public Health Wales and Welsh Government), [The Marmot Review 10 Years On](#) (Institute of Health Equity and the Health Foundation) and the most recent [Unequal pandemic, fairer recovery](#) (the Health Foundation). Every one of these reaffirms the need for coherent, coordinated activity across all delivery partners. COVID-19 recovery presents an opportunity to create a healthier and more resilient society by addressing the root causes of poor health.

46. In April 2021, the Welsh NHS Confederation's Health and Wellbeing Alliance published a short paper, [Making the difference: Tackling health inequalities in Wales](#). In this paper, we suggest initial steps the new Welsh Government should take in their first year to respond urgently to health inequalities and make the greatest possible impact by coordinating a renewed commitment from all partners. A key driver within this is the Well-being of Future Generations (Wales) Act 2015.

- **Sustainability of public services, innovation and service transformation.**

47. It is not possible to consider the long-term future of healthcare in Wales without considering the issue of how, and to what level, the social care system should be funded in the future. We need to work towards achieving a consensus that the NHS and social care services are interdependent. Care home sector stability is vital to our health and care system. In recent years, there have been significant pressures around capacity and demand for care services and COVID-19 has exacerbated this problem.

48. The pandemic has once again demonstrated the need for a new settlement for social care and highlighted the critical role the sector plays in the delivery of health and care services. The challenges facing social care services include vulnerabilities in funding and market stability, increased demand on the sector, growing unmet need, staff vacancy issues, contingency planning and the need for consistent standards and quality measures between health and social care. For the future sustainability of the health and care system, it is vital that social care is reformed to ensure a sustainable social care system, backed up by long-term funding.

49. NHS Wales organisations support an approach to further protect funding for preventative measures that recognise the importance of improving population health outcomes and sustainability of services in the longer term. Some examples of how this could be enacted include:

- Providing Local Authorities allocations that are ring-fenced for social care funding to support system-wide health and wellbeing sustainability. This could be expanded to elements of education and housing budgets as appropriate; and
- Setting a nominal proportion of health and social care funds which should be spent on preventative activities and to hold spending bodies to account for the use of these monies. In this approach, the variation in underlying need for preventative activities is taken into account in the allocation formula.



Conclusion

50. Healthcare, reducing health inequality and maintaining people's mental health and wellbeing, should be at the heart of the Welsh Government's draft budget. NHS Wales organisations do not underestimate the significant challenges of public service budget-setting in a time of unprecedented challenges as a result of the pandemic. NHS organisations across Wales are committed to doing the very best they can to deliver high-quality, timely and safe care to the people of Wales. Our members also recognise the importance of improving population wellbeing by supporting an environment that enables people to maintain good physical and mental health for as long as possible. Finally, we need to emphasise the importance of working with partners across the public sector so that we may rise collectively to the challenges we face.

Llamau Response to Welsh Parliament Finance Committee Consultation - Welsh Government's 2022-23 Draft Budget proposals

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

In the last budget, Welsh Government allocated an additional £40m for the Housing Support Grant, the primary funding stream used to prevent homelessness in Wales. It was a significant increase – the first in ten years - and was critical in meeting the increased demand for our refuge, supported accommodation and support services throughout the pandemic, which have enabled people to leave abusive relationships, overcome mental health problems and supported them to help build on their strengths and fulfil their aspirations.

Our services are transformational and maintaining inflationary increases in this budget line is crucial if, as a sector, we are to continue implementing the recommendations of the Homelessness Action Group and meet increased demand for our services. In addition, we would argue that the Housing Support Grant reduces pressure on a myriad of public services, from health and social services to criminal justice.

The increased funding also enabled us to give a cost of living pay increase to all Llamau staff. Given the predicted spike in inflation, exacerbated by rising costs such as energy prices and an increase in the National Living Wage, we need to see provision in the upcoming budget round to maintain this in the future, so that colleagues do not lose money in real terms. Whilst acknowledging the difficult funding decisions faced by ministers and the competing priorities during the post-pandemic rebuilding phase, the workforce of the support and care sector have worked tirelessly during the pandemic to protect the most vulnerable in our society. These are rewarding but stressful roles and at times during the last 18 months, we have had concerns around the well-being of staff who work in sometimes challenging environments. Recruitment is already proving an issue and retaining staff will become a problem if they are not properly rewarded.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Llamau has seen a sharp increase in demand for our services in the last 18 months. Much of that is as a direct result of COVID-19 and a rise in domestic abuse, family/relationship breakdown and the stresses caused by the pandemic.

Domestic abuse is the major cause of homelessness in women and inextricably linked to both mental and physical health issues, low incomes and poverty. Reported incidents are rapidly on the rise with over 369,000 in England & Wales last year and an estimated 130,000 children living in households where there is high-risk domestic abuse. Llamau's range of specialist domestic abuse services saw huge surges in demand during lockdown, including Family Safety (73%) and Refuge (86%).

In addition, new research published by Public Health Wales and Bangor University <https://www.sciencedirect.com/science/article/pii/S2468266721002322> shows that deficits in child and family support created by COVID-19 must also be urgently addressed. Exposure to adverse childhood experiences or ACEs include suffering maltreatment, witnessing violence in the home or community, and living with family difficulties such as parental substance abuse is linked

to poorer health and wellbeing across the life course, influencing children's neurological, biological, and social development.

Llamau supports the research conclusion that investing in early support to families and young people with services, such as ours, that understand the needs of those affected by ACEs, can support those individuals go on to lead healthy and fulfilled lives. We aim to operate as a psychologically informed organisation and employ a Consultant Clinical Psychologist as part of our team. However, our statutory funding does not cover this initiative, despite it delivering a clear and quantifiable impact to the outcomes for the women and young people we support.

While there will understandably be a focus on prioritising 'catch-up' pressures felt in sectors such as health and education, this budget must acknowledge the impact of the pandemic on those at risk of homelessness and the need for early interventions to offer support before individuals reach crisis point. Distinct funding for the measures set out in the response below would go some way to addressing this need.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Research has shown that, in a sample of homeless people in Wales, 48% first became homeless before the age of 21, and of that same sample, 73% had been homeless more than once. For the Welsh Government to be successful in tackling all forms of homelessness, preventing homelessness for young people will be crucial. Focussed spending on preventative measures now will save significant resources in the future by easing demand on other public services. We would advocate clear budget lines on preventative spend for:

Mental Health Services

Covid-19 has hit the young people and women we support particularly hard. 90% already met the criteria for a diagnosable condition pre-pandemic, with an internal survey highlighting that mental health had worsened by a third (32%) following the first lockdown; increasing depressive symptoms and the risk of related issues, such as self-harm and substance use. While the extra resources for mental health services announced by Welsh Government in the last 12 months are welcomed, people are still falling through the gaps. We are particularly concerned about:

- A lack of intensive services for young people
- Young people (including those with developmental trauma) being transferred to adult services and as a result not receiving the high levels of support they require
- People being discharged with high needs but with no safety plan in place for follow up.

The current 'Together For Mental Health' Strategy finishes next year and these issues much be addressed with investment in young people now, so that they can lead productive lives and contribute fully to society in the future – in line with the goals set out in the Well-being of Future Generations Act.

Family Mediation Services

Llamau is one of the largest providers of award-winning family mediation services in Wales. Evaluation shows that as a preventative measure it can save significant future costs to the public purse.

- Mediation can prevent family relationship breakdown, saving over £16,000 per person per year in temporary accommodation and homelessness administration costs.
- EMPHASIS services can save the public purse £42,390 per person per year in reduced welfare, housing, health and Criminal Justice costs
- Supporting a young person to address anti-social behaviour can prevent family eviction, saving £342 per family per week in B&B costs

Early Identification of Risk of Homelessness in Education - Upstream Cymru

The Welsh Government recognises the need for 'targeted prevention' for those groups particularly vulnerable to homelessness and that early prevention is of particular importance to young people - with the Homelessness Action Plan stating that *'there real opportunities for early identification of risk factors... and the chance to put the structures and services in place to ensure a positive life trajectory'*.

End Youth Homelessness Cymru's Upstream Cymru project, currently being piloted in 6 schools from across 3 local authorities, is a school-based intervention, where pupils complete a survey that identifies risk of homelessness, particularly because of family relationship breakdown, and support is then offered to the young people and their families. The approach is modelled on the pioneering and inspirational Australian Geelong Project, which resulted in a 40% reduction in youth homelessness and a 20% reduction in the number of young people leaving school early.

Analysis of the first completed Upstream Cymru pupil survey has just been published: <https://www.endyouthhomelessness.cymru/resources> (scroll to bottom of webpage)

It provides important insights on the scale of homelessness risk amongst young people in the six pilot schools in Wales. Most notably, approximately 1 in 10 pupils were at high or immediate risk of youth homelessness and the majority showed no or low risk of school disengagement. Additionally, more than 1 in 10 pupils and their families were at high or immediate risk of family homelessness. Those behind the project are confident that the risks facing many of these young people and their families are not previously known to schools and services. Once a young person is identified as needing help - that may have otherwise gone undetected - intervention begins immediately.

It is precisely because of this that we believe that Upstream complements the Youth Engagement and Progression Framework, which focusses on those at risk of becoming NEET. We would welcome a specific allocation under the preventative spend heading to enable roll out of this programme across Wales.

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The main risk to our organisation remains Covid-19 and its impact on fundraising and additional costs, but we are mindful that other risks are still present. Our largest income stream remains the Housing Support Grant, however funding uncertainty also exists around the Welsh Government Innovation Funding (part of the Homelessness Prevention Grant) which has enabled Llamau to start new projects in response to demand for additional services. These services need to be embedded into the HSG pot.



**Imagine a World Without
Homelessness**

Llamau's mitigation of these risks continue to be ensuring our own efficiency, keeping our costs as competitive as possible, demonstrating our value for money through the added value of the organisation, proving our outcomes are the best and continually trying to expand our funding base.

Inflationary increases as part of a multi-year settlement for the Housing Support Grant would give more certainty in planning and managing our budgetary processes. It would also allow us to address recruitment gaps and staff retention so that there is no threat in terms of service delivery.

Llamau

Imagine a World Without
Homelessness

Cyllideb Ddrafft Llywodraeth Cymru 2022-23

Tachwedd 2021

Cyflwyniad

Mae'r Comisiynydd yn croesawu'r dull agored ac apelgar a wnaed gan Bwyllgorau'r Senedd i ymgynghori ar lywio'r broses o graffu ar Gyllideb Ddrafft Llywodraeth Cymru 2022-2. Daw'r Gyllideb ar adeg dyngedfennol wrth i ni obeithio symud tuag at adferiad ar ôl y pandemig Covid-19 sy'n anelu at adfer y difrod a wnaed yn ystod y cyfnod, ynghyd â sicrhau ein bod yn adeiladu'n ôl mewn ffordd decach.

Er bod y cynnydd gwariant o Gyllideb Hydref Llywodraeth y DU a'r Adolygiad o Wariant i'w croesawu, mae'n hanfodol bod Llywodraeth Cymru yn anelu at fuddsoddi'r cyllid ychwanegol hwn yn y llofnod iawn i sicrhau mynediad gwell at wasanaethau cyhoeddus a chymunedol ac adferiad economaidd sy'n galluogi cyfleoedd a chymorth i bawb.

Cwestiynau'r Ymgynghoriad

1. Yn eich barn chi, beth oedd effaith cyllideb 2021-22 Llywodraeth Cymru gan gynnwys cyllid sy'n gysylltiedig â COVID-19?

Mae'r mwyafrif llethol o gronfeydd ychwanegol a ddarparwyd gan Gyllideb 2021-22 Llywodraeth Cymru sy'n gysylltiedig â Covid-19 wedi canolbwyntio ar ddelio â'r problemau sy'n ein hwynebu ar hyn o bryd. Wrth i ni symud tua'r gaeaf a thu hwnt, mae'n bwysig bod y cyllid yn dechrau canolbwyntio mwy ar helpu pobl i adfer o'r pandemig ac edrych tuag at welliannau i wasanaethau ac at ansawdd bywyd pobl yn y dyfodol.

2. Yn eich barn chi, sut dylai blaenoriaethau Llywodraeth Cymru ar gyfer 2022-23 newid i ymateb i COVID-19?

Mae'n amlwg y bydd cost barhaus i'r gyllideb Gymreig ac i wasanaethau cyhoeddus yng Nghymru wrth i'r pandemig Covid-19 barhau ac wrth i ni geisio gwella'r niwed a achoswyd yn sgil y pandemig. Wrth i gyllid canlyniadol Barnett ar wariant ar y pandemig grebachu yn 2022-23, bydd angen i Lywodraeth Cymru sicrhau bod cyllid digonol yn cael ei ddarparu i alluogi gwasanaethau cyhoeddus i oresgyn ôl-groniadau, yn ogystal â gwneud y newidiadau angenrheidiol i wella cyflenwi a mynediad i'r dyfodol.

Am fwy o wybodaeth, cysylltwch â:
Josh Hayman, Rheolwr Polisi a Materion Cyhoeddus

Mae swm sylweddol o arian ychwanegol yn debygol o wneud ei ffordd i'r gwasanaeth iechyd ac mae'n bwysig bod Llywodraeth Cymru yn gosod disgwyliad gyda byrddau iechyd a byrddau partneriaeth rhanbarthol bod yn rhaid iddyn nhw edrych ar sut maen nhw'n cefnogi pobl hŷn i gadw'n iach ac yn egnïol yn eu cymunedau eu hunain. Mae'r pandemig wedi cael effaith sylweddol ar iechyd corfforol a meddyliol pobl hŷn, gan gynnwys datgyflyru, dirywiad iechyd meddwl ac unigrwydd. Heb weithredu i unioni'r problemau hyn, ni fydd ansawdd bywyd nifer o bobl hŷn yn gwella neu'n parhau i waethygu, a bydd yn arwain at fwy o angen am gymorth gan wasanaethau iechyd a gofal cymdeithasol yn y dyfodol. Mae'r Comisiynydd wedi cyflwyno argymhellion i Lywodraeth Cymru am fuddsoddi yn ystod cyfnod y gaeaf hwn i gefnogi'r sector gwirfoddol i ddarparu gwasanaethau a gwybodaeth i helpu pobl hŷn ddod yn fwy egnïol yn gorfforol ac ymgysylltu'n gymdeithasol. Er y gwelwyd rhywfaint o arian mewn cyllidebau cyfredol i gefnogi'r rhaglen waith hon, mae'n bwysig bod y mathau hyn o ymyriadau yn cael eu prif ffrydio drwy gydol prosesau comisiynu a bod cyllid ar gael ar gyfer y gwaith ataliol hanfodol hwn sydd nid yn unig yn gwella ansawdd bywyd pobl hŷn ond hefyd yn arwain at arbedion cost sylweddol i'n gwasanaethau iechyd a gofal cymdeithasol.

Mae gwasanaethau gofal cymdeithasol ledled Cymru yn parhau i wynebu anawsterau o ran recriwtio a chadw staff, cynnydd yn y galw am wasanaethau a chyllidebau sy'n aml yn cyfyngu ar eu gallu i ddarparu gwasanaethau i bawb sydd eu hangen. Bydd angen i'r Gyllideb Ddrafft sicrhau y darperir digon o arian i wasanaethau gofal cymdeithasol i fodloni'r heriau yn sgil y pandemig, tra hefyd yn edrych ar sut i fuddsoddi mewn model gofal cymdeithasol cynaliadwy sy'n mynd i'r afael â dyfodol hirdymor gwasanaethau a sut y telir amdany'n nhw. Mae'n galonogol bod Llywodraeth Cymru wedi atgyfodi ei Grŵp Rhyngweinidogol ar Dalu am Ofal Cymdeithasol, yng ngoleuni'r cyhoeddiadau ar ddyfodol gofal cymdeithasol yn Lloegr, ac mae'n rhaid i'r grŵp hwn weithredu'n gyflym i gyflwyno argymhellion ar gyfer dyfodol gofal cymdeithasol yng Nghymru.

Bydd diwygio'r system hon yn rhan hanfodol o'n hadferiad o Covid-19, wrth i ni geisio sicrhau ein bod yn symud i'r dyfodol gyda gwasanaethau cyhoeddus sydd mewn gwell sefyllfa i ymdopi â'r heriau sydd o'n blaenau a bod gwersi wedi'u dysgu o'r cyfnod hwn. Mae sicrhau bod yr adferiad hwn yn gweithio i bawb yn rhan bwysig o'r ystyriaethau ar gyfer Cyllideb Ddrafft Llywodraeth Cymru ar gyfer y flwyddyn nesaf a rhaid rhoi ystyriaeth ddyladwy i anghenion ac amgylchiadau penodol pobl hŷn.

Canfu adroddiad y Comisiynydd *Cyflwr y Genedl* fod y cynnydd wrth fynd i'r afael â materion allweddol sy'n effeithio ar fywydau pobl hŷn bellach mewn perygl oherwydd y pandemig ac y bydd iechyd, annibyniaeth ac ansawdd bywyd pobl hŷn yn dioddef heb weithredu priodol ar draws cymdeithas. Canfu'r adroddiad fod pobl hŷn yn cael eu heffeithio'n benodol gan effeithiau economaidd y pandemig, gyda diweithdra'n codi fwyaf ymhlith y rhai 50-64 oed o'i gymharu â grwpiau oedran eraill yn ystod y cyfnod hwn a bod y nifer sy'n hawlio'r Cynllun Cadw Swyddi yn lleihau'n arafach ymhlith y rhai dros 65 oed nag

unrhyw grŵp oedran arall. Ddiwedd Awst 2021, y rhai dros 65 oed oedd yn hawlio'r Cynllun fwyaf, sydd bellach wedi darfod (7% o fenywod, 8% o ddynion, o'i gymharu â 4% a 5% yn y drefn honno ar gyfer cyfanswm y poblogaethau benywaidd a gwrywaidd).¹

3. Pa mor barod yn ariannol yw eich sefydliad ar gyfer blwyddyn ariannol 2022-23, a sut gall y gyllideb roi mwy o sicrwydd i chi wrth gynllunio a rheoli cyllidebau o ystyried yr anwadalarwydd a'r ansicrwydd parhaus?

Mae'r amserlenni cyfredol ar gyfer gwybodaeth gyllidebol yn rhoi amserlen gyfyngedig i gynllunio'n briodol ar gyfer y flwyddyn ariannol i ddod. Byddai dull mwy hirdymor sy'n edrych ar roi gwybodaeth gyllidebol manylach am sawl blwyddyn i'r dyfodol yn rhoi'r gallu i gynllunio'n well ac felly'n rhoi mwy o sefydlogrwydd i sefydliadau fel ni.

4. O ystyried yr ansicrwydd parhaus a'r amgylchedd cyllido sy'n newid yn gyflym, ydych chi'n credu y dylid gwneud newidiadau i brosesau'r gyllideb a chraffu i sicrhau tryloywder digonol ac atebolrwydd Gweinidogol?

Er mwyn i Gyllideb Llywodraeth Cymru adlewyrchu anghenion a dymuniadau pobl Cymru yn iawn, mae'n rhaid iddo ystyried sut gall y cyhoedd gyfrannu at y broses o bennu'r Gyllideb a'i blaenoriaethau. Dylai cyfleoedd fod ar gael i bobl hŷn, a gweddill y boblogaeth, allu cymryd rhan yn y broses o wneud penderfyniadau, yn enwedig o ystyried yr effaith sylweddol y mae'r pandemig Covid-19 yn dal i'w chael ar fywydau pobl bob dydd.

Efallai yr hoffai'r Pwyllgor ystyried sut mae'n ymgysylltu â'r cyhoedd fel rhan o'i broses o graffu ar y Gyllideb er mwyn cael cyfraniadau wrth y cyhoedd yn ogystal â gwahodd cyfraniadau gan randdeiliaid allweddol a'r rheini â diddordeb.

5. A yw'r Fframwaith Cyllidol yn adlewyrchu'n ddigonol effaith yr argyfwng iechyd cyhoeddus yng Nghymru o'i gymharu â gwledydd eraill y DU ac ydych chi'n cefnogi cynyddu'r terfynau blynyddol a/neu gyffredinol, £150 miliwn a £1 biliwn yn y drefn honno, i fenthycu cyfalaf cyfredol Llywodraeth Cymru o fewn y Fframwaith hwn?

Mae'n hanfodol bwysig bod y cyllid a dderbynnir gan Lywodraeth Cymru yn adlewyrchu proffil demograffig gwahanol Cymru yn iawn, ac o ystyried, yn gymesur, y boblogaeth hŷn sydd gan Gymru ar hyn o bryd ac yn parhau i fod yn y dyfodol, rhaid ystyried hyn wrth bennu lefel y cyllid sydd ar gael i Gymru.

Serch hynny, mae'n rhaid i Lywodraeth Cymru edrych ar gyfleoedd i ddefnyddio cyllid o San Steffan i'r eithaf drwy sianeli eraill. Er enghraifft, gall buddsoddiadau cymharol fach mewn

ymgyrchoedd i gynyddu'r nifer sy'n hawlio'r arian mae ganddynt hawl iddo fel Credyd Pensiwn, ddod ag arian y mae dirfawr ei angen i bocedi'r bobl hŷn tlotaf yng Nghymru, tra hefyd yn rhoi hwb i economïau lleol, lle mae pobl hŷn yn debygol o wario'r incwm ychwanegol hwn.

Amcangyfrifodd yr Adran Gwaith a Phensiynau fod 40% o'r rhai sy'n gymwys², am Gredyd Pensiwn ddim yn ei hawlio, a allai fod werth cymaint â £214m y flwyddyn i bobl hŷn ac economi Cymru yn ehangach³. Yn ogystal â rhoi incwm ychwanegol, mae hawlio Credyd Pensiwn hefyd yn rhoi hawl i chi gael nifer o fathau eraill o gymorth, fel gostyngiadau treth gyngor, gofal deintyddol am ddim a help gyda chostau tai.

Ym mis Tachwedd 2019, gweithiodd y Comisiynydd gyda Trafnidiaeth Cymru i ddsbarthu taflen i annog pobl i hawlio Credyd Pensiwn wrth adnewyddu holl basys bws rhatach newydd, a anfonwyd at bawb dros 60 oed yng Nghymru yn 2019. Gyda chymorth ariannol Llywodraeth Cymru, dosbarthwyd dros 500,000 o daflenni ar draws Cymru. Yn ystod y cyfnod hwn, dangosodd data yr Adran Gwaith a Phensiynau fod nifer y rhai newydd a hawliodd Credyd Pensiwn yng Nghymru **26% yn uwch** o'i gymharu â'r cyfartaledd chwarterol dros y ddwy flynedd flaenorol ac amcangyfrifwyd bod **dros £10,000 yr wythnos – dros £500,000 y flwyddyn** – bellach ym mhocedi pobl hŷn a fyddai wedi colli allan fel arall.⁴

Sefydlodd Llywodraeth Cymru hefyd Weithgor Cynyddu Incwm a Hawlio Budd-daliadau gydag aelodaeth traws-sector. Lansiodd y Grŵp Ymgyrch Ymwybyddiaeth Budd-daliadau Lles byr ar draws sianeli amrywiol, a chyfrifwyd bod hynny wedi arwain at **£651,504** o geisiadau ychwanegol yn cael eu hawlio.

Yn ogystal, treialwyd dwy ymgyrch arall sydd wedi'u targedu, un yn canolbwyntio ar gymunedau BAME drwy gyfuno partneriaid mynediad cymunedol sy'n cysylltu â phartneriaid cyngor, a'r peilot arall drwy wasanaethau Cyngor ar Bopeth rhanbarthol gan ganolbwyntio ar wahanol gynulleidfaoedd targed a ymgysylltodd â dros 1440 o bobl dros y peilot chwe mis a chyfrifwyd ei fod wedi cynyddu eu hincwm **£2,468,052** ar draws ystod o geisiadau hawlio.

Gall buddsoddi mewn ymgyrchoedd fel hyn, gyda neges genedlaethol gref ac ymyriadau lleol wedi'u targedu, chwarae rôl bwysig wrth gefnogi Cymru i adfer o'r pandemig Covid-19 a dylai Llywodraeth Cymru ei ystyried ymhellach fel elfen allweddol o'r camau i liniaru tlodi ymhlith pobl hŷn.

Dylai Llywodraeth Cymru hefyd ddatblygu ymhellach sut mae'n ymgysylltu â rhaglenni a chynlluniau DU-gyfan a rhyngwladol i gael mynediad at gyllid grant neu i ddysgu wrth eraill. Er enghraifft, mae Llywodraeth Cymru yn ymgysylltu â Her Heneiddio'n Iach yr UKRI, sy'n rhoi cyfleoedd i brosiectau o Gymru wneud cais am arian o gronfa'r DU-gyfan.

Dylai Llywodraeth Cymru hefyd ymgysylltu â Degawd o Heneiddio'n Iach y Cenhedloedd Unedig, sy'n rhedeg o 2021-30 ac sy'n rhoi cyfle i ddangos y gwaith positif sydd ar droed o ran datblygu cymunedau o blaid pobl hŷn ond hefyd i ddysgu o rannau eraill o'r byd ynglŷn ag ymyriadau effeithiol y gellid eu gweithredu yng Nghymru.

6. Hoffai'r Pwyllgor ganolbwyntio ar nifer o feysydd penodol wrth graffu ar y gyllideb, a oes gennych unrhyw sylwadau penodol ar unrhyw un o'r meysydd a nodir isod, yn enwedig yng ngoleuni sefyllfa COVID-19 a sut y dylai'r rhain gael eu hadlewyrchu yng nghyllideb 2022-23?

Sut dylid targedu adnoddau i gefnogi adferiad economaidd a pha sectorau yn benodol y mae angen eu blaenoriaethu

Fel y soniwyd yn gynharach yn yr ymateb hwn, mae'n bwysig bod Llywodraeth Cymru yn edrych ar anghenion ac amgylchiadau penodol pobl hŷn wrth ystyried ein hadferiad economaidd ac wrth sicrhau bod dulliau pwrpasol yn cael eu cymryd i gefnogi pobl hŷn i fynd yn ôl i'r gwaith a chynnig cyfleoedd i'r rhai sydd angen ail-sgilio neu ailhyfforddi. Amlygodd adroddiad diweddar y Comisiynydd *Cyflwr y Genedl* er bod 90% o bobl hŷn o'r farn bod ganddynt y sgiliau trosglwyddadwy i symud diwydiant pe byddent yn cael cynnig hyfforddiant, dim ond 35% o'r cyflogwyr a ofynnwyd a fyddai'n barod i gyflogi a chynnig hyfforddiant i rywun dros 55 oed mewn diwydiant newydd.⁵

Mae angen rhoi'r gorau i'r ffordd yma o feddwl a rhaid i ni herio'r gwahaniaethu ar sail oed y mae nifer o weithwyr hŷn yn dal i'w wynebu yn y gweithle yng Nghymru. Mae gan Gymru, fel nifer o genhedloedd eraill, gymdeithas sy'n heneiddio, ac os ydym am lwyddo, mae'n rhaid i ni edrych ar y cyfleoedd sydd ar gael i helpu pobl i aros yn y gwaith yn hirach neu ddychwelyd i'r gwaith drwy gynnig polisïau mwy hyblyg a chyfeillgar i ofalwyr, gan ganolbwyntio mwy ar iechyd a llesiant gweithwyr, a sicrhau bod cyfleoedd hyfforddi, fel prentisiaethau, yn cael eu marchnata'n briodol i weithwyr hŷn i roi hwb i'r niferoedd sy'n mynd amdanynt.

Mae pobl dros 50 oed eisoes yn 35.3% o gyfanswm gweithlu Cymru ac mae'n debygol o gynyddu dros y blynyddoedd a'r degawdau nesaf. Os ydym am gefnogi adferiad economaidd sy'n gweithio i bawb ac sy'n ceisio mynd i'r afael â heriau a chyfleoedd hirdymor, yna mae'n rhaid i ni symud i ffwrdd o fodolau hen ffasiwn sy'n seiliedig ar 'boblogaeth oed gweithio' sydd ddim yn adlewyrchu'n ddigonol ein statws ar hyn o bryd na'n statws yn y dyfodol ac i sicrhau bod Cymru yn cofleidio gweithwyr hŷn fel rhan annatod a chynyddol o'n gweithlu.

Sut dylid blaenoriaethu adnoddau i fynd i'r afael â'r pwysau sydd i'w deimlo mewn sectorau sydd angen "dal i fyny", fel lechyd ac Addysg a'r ffordd o ymdrin â gwariant ataliol a sut mae hyn yn cael ei gynrychioli wrth ddyrannu adnoddau

Fel y nodwyd ar dudalen 2, mae'r Comisiynydd wedi cyflwyno argymhellion i Lywodraeth Cymru i fuddsoddi yn y sectorau cymunedol a gwirfoddol i fynd i'r afael ag effeithiau'r pandemig Covid-19 ar iechyd meddwl a chorfforol pobl hŷn. Mae'r buddsoddiad hwn yn hanfodol, nid yn unig i ailadeiladu hyder pobl a helpu pobl hŷn i ail-ymgysylltu â'u cymunedau, ond hefyd i sicrhau na roddir pwysau ychwanegol ar y gwasanaethau iechyd a gofal cymdeithasol yn y tymor canolig a'r hirdymor drwy dderbyniadau cynyddol i adrannau brys a'r angen cynyddol am gymorth gofal cymdeithasol statudol.

Ochr yn ochr â'r buddsoddiad hwn, mae'n rhaid i Lywodraeth Cymru a GIG Cymru geisio mynd i'r afael â'r ôl-groniadau o driniaethau dewisol sydd wedi datblygu yn ystod cyfnod y pandemig. Gall y triniaethau a'r gweithdrefnau newid bywyd pobl hŷn ac mae gormod wedi bod yn byw mewn poen gyda symudedd cyfyngedig yn ystod y 18 mis diwethaf. Mae iechyd nifer o'r unigolion sy'n aros am y triniaethau hyn yn debygol o fod wedi gwaethgu yn ystod y cyfnod hwn, ac i rai, gall eisoes fod yn rhy hwyr i'r ymyriadau hyn fod yn effeithiol. Mae'n bwysig y cyfathrebu yn effeithiol â'r rhai sy'n aros am weithdrefnau fel eu bod yn gwybod pryd i ddisgwyl derbyn eu triniaeth a pha gamau y gallan nhw eu cymryd tra'n aros i gynyddu eu hiechyd a'u llesiant i'r eithaf. Mae'r elusen pobl hŷn Independent Age wedi edrych ar y broblem hon yn Lloegr a thanlinellodd bwysigrwydd sicrhau bod pobl yn derbyn cymorth, cyfathrebu a thriniaeth briodol wrth aros am driniaeth. Mae'r adroddiad yn argymhell bod y GIG yn ymgysylltu â phobl hŷn i glywed eu lleisiau ac i "*drawsnewid y cyfnod aros o un o bryder i un o rymuso'r claf, paratoi a chymorth holistig*".⁶

Cafodd nifer o raglenni sgrinio canser eu hoedi yn ystod y pandemig, gan gynnwys sgrinio canser y fron⁷ ac mae'n bwysig bod buddsoddiad yn cael ei wneud yn yr ymyriadau hyn sy'n achub bywydau er mwyn dal i fyny ag unrhyw apwyntiadau a gollwyd neu a ohiriwyd oherwydd y pandemig.

Fel cynifer o agweddau'r pandemig, ni fydd effaith ôl-groniadau a seibiau mewn triniaeth iechyd a gofal yn cael ei theimlo'n gyfartal ar draws ein cymdeithas. Fel y nodwyd yn adroddiad y Comisiynydd *Cyflwr y Genedl*, mae anghydraddoldebau iechyd sylweddol yn parhau i fod yng Nghymru rhwng y rhai yn yr ardaloedd tlotaf a'r ardaloedd mwyaf cefnog. Mae pobl hŷn yn ein hardaloedd tlotaf eisoes yn debygol o farw'n llawer cynharach na'r rheini mewn ardaloedd mwy cefnog a rhaid i'r gefnogaeth i ddal i fyny â gwasanaethau ganolbwyntio ar y rhai sydd fwyaf mewn angen ac sy'n cael eu heffeithio fwyaf wrth aros am driniaethau neu weithdrefnau.

Pa dystiolaeth sy'n llywio proses Llywodraeth Cymru o bennu blaenoriaethau a dyrannu'r gyllideb

Mae deall profiadau ac amgylchiadau pobl hŷn yng Nghymru yn hollbwysig i nodi a gweithredu polisi cyhoeddus effeithiol. Serch hynny, mae'n digwydd yn rhy aml nad yw data a thystiolaeth yn cael eu casglu neu eu dadansoddi mewn ffordd y gellir eu categoreiddio

fesul oedran neu yn ôl nodweddion croestoriadol pobl hŷn, er enghraifft yn ôl rhywedd, ethnigrwydd neu rywioldeb.

Mae hyn yn arbennig o wir am ddata a thystiolaeth a gasglwyd am brofiadau pobl hŷn o gam-drin, sydd er gwaethaf rhai camau positif, yn parhau i beidio â chael eu deall a'u cydnabod yn llawn. Gall llawer o'r data a gasglwyd am gam-drin, a cham-drin domestig yn arbennig, stopio ar oedran penodol neu bod pawb sy'n 60 neu'n 65 oed yn cael eu grwpio yn yr un categori, sydd ddim yn rhoi dealltwriaeth o sut mae pobl hŷn yn cael eu heffeithio mewn grwpiau oedran gwahanol.

Heb dystiolaeth allweddol am fywydau pobl hŷn, ceir risg na fydd penderfyniadau ynglŷn â phennu blaenoriaethau a dyrannu'r gyllideb yn ystyried anghenion a phrofiadau penodol pobl hŷn ac yn anwybyddu ymyriadau a allai wella ansawdd bywyd pobl hŷn a rhoi cymorth pan fydd ei angen fwyaf arnyn nhw. Mae'r dystiolaeth a'r data hyn hefyd yn bwysig i werthuso a yw ymyriadau a phenderfyniadau yn effeithiol wrth gyflawni eu hamcanion neu a ellid defnyddio cyllid yn well mewn man arall.

Mae'r pandemig Covid-19 wedi effeithio ar y broses o gasglu rhywfaint o'r data hwn, yn enwedig mewn gwasanaethau cymdeithasol a diogelu, lle gwelwyd oedi ar ddechrau'r pandemig ac nid oes unrhyw ddata wedi'i gyhoeddi eto ar gyfer 2019-20 a 2020-21. Mae'n rhaid i Lywodraeth Cymru sicrhau y gweithredir cyn gynted â phosibl er mwyn mynd i'r afael â'r bylchau hyn o ran dealltwriaeth, naill ai drwy gyhoeddi data sydd ar gael neu ddod o hyd i ffyrdd eraill o ddangos profiadau pobl hŷn yn ystod y 18 mis diwethaf.

¹ HMRC (2021) *Official Statistics: Coronavirus Job Retention Scheme statistics: 7 October 2021*. Ar gael yn: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-7-october-2021/coronavirus-job-retention-scheme-statistics-7-october-2021#furlough-by-age>

² Department for Work and Pensions (2020) *Income-related benefits: estimates of take-up: financial year 2018 to 2019*. Ar gael yn: <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019>

³ Independent Age (2020) *Pension Credit: a closer look*. Ar gael yn: <https://www.independentage.org/pension-credit-a-closer-look>

⁴ Comisiynydd Pobl Hŷn Cymru (2021) *Data newydd sy'n datgelu cynnydd yn nifer y bobl sydd wedi dechrau hawlio Credyd Pensiwn yn ystod ymgyrch y Comisiynydd*. Ar gael yn: https://www.olderpeoplewales.com/en/news/news/21-03-24/New_data_reveals_an_increase_in_the_number_of_new_Pension_Credit_claimants_during_Commissioner_s_campaign.aspx

⁵ 55/Redefined (2021) *Shut out, forced out and overlooked Ageism at work: Attitudes on employment over the age of 55*. Ar gael yn: <https://www.55redefined.com/drafts/shut-out-forced-out-and-overlooked-an-ageism-report>

⁶ Independent Age (2021) *Patiently Waiting: Older people's experiences of waiting for surgery*. Ar gael yn: <https://www.independentage.org/policy-and-research/patiently-waiting>

⁷ Iechyd Cyhoeddus Cymru (2020) *Sgrinio yn ystod Pandemig Coronafeirws – Bron Brawf Cymru*. Ar gael yn: <https://phw.nhs.wales/services-and-teams/screening/breast-screening/screening-during-the-coronavirus-pandemic-breast-test-wales/>

Comisiynydd Pobl Hŷn Cymru

Mae Comisiynydd Pobl Hŷn Cymru yn gwarchod ac yn hybu hawliau pobl hŷn ledled Cymru, gan graffu a dylanwadu ar amrywiaeth eang o bolisïau ac arferion i wella eu bywydau. Mae'n darparu help a chefnogaeth yn uniongyrchol i bobl hŷn drwy ei thîm gwaith achosion ac mae'n gweithio i rymuso pobl hŷn ac i sicrhau bod eu llais cael ei glywed ac y gweithredir ar hynny. Mae rôl y Comisiynydd yn seiliedig ar gyfres o bwerau cyfreithiol unigryw i'w chefnogi gydag adolygu gwaith cyrff cyhoeddus a'u dal yn atebol lle bo angen.

Mae'r Comisiynydd yn gweithredu i roi terfyn ar wahaniaethu a rhagfarn ar sail oedran, i atal cam-drin pobl hŷn ac i alluogi i bawb heneiddio'n dda.

Mae'r Comisiynydd eisiau Cymru lle mae pobl hŷn yn cael eu gwerthfawrogi, bod eu hawliau'n cael eu cynnal a bod neb yn cael eu gadael ar ôl.

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Welsh Government Draft Budget 2022-23

November 2021

Introduction

The Commissioner welcomes the open and engaging approach made by the Senedd's Committees to consult to inform their scrutiny of the Welsh Government's Draft Budget 2022-23. This Budget comes at a critical time as we hope to move forward into a recovery from the Covid-19 pandemic that looks to repair damage done during the outbreak, as well as ensure that we build back in a more fair and equitable way.

Whilst the increases in spending from the UK Government's Autumn Budget and Spending Review are to be welcomed, it is crucial that the Welsh Government looks to invest this additional finance in the right places to ensure improved access to public and community services and an economic recovery that enables opportunities and support for everyone.

Consultation Questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

The vast majority of the additional funds provided by the Welsh Government's 2021-22 Budget related to Covid-19 have been focused on dealing with the problems that we face in the here and now. As we move into this winter and beyond, it is important that funding begins to focus more on helping people to recover from the pandemic and looking towards improvements to services and to people's quality of life into the future.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

It is clear that there will be a continuing cost to the Welsh budget and to Welsh public services as the Covid-19 pandemic continues and as we seek to repair the damage that has been inflicted by the pandemic. As Barnett consequential for spending on the pandemic dry up in 2022-23, the Welsh Government will need to ensure that sufficient funding is provided to enable public services to overcome backlogs, as well as make the necessary changes to improve delivery and access into the future.

For further information, please contact:
Josh Hayman, Policy and Public Affairs Manager



A significant amount of additional funding is likely to make its way into the health service and it is important that the Welsh Government sets an expectation with health boards and regional partnership boards that they must look at how they are supporting older people to stay healthy and active in their own communities. The pandemic has had a significant impact on the physical and mental health of older people, including deconditioning, deteriorating mental health and loneliness. Without action to remedy these issues, many older people's quality of life will not improve or will continue to deteriorate, and will lead to greater need for support from health and social care services in the future. The Commissioner has put forward proposals to the Welsh Government for investment over this winter period to support the voluntary sector to provide services and information to help older people become more physically active and socially engaged. Whilst some funding has been found in current budgets to support this programme of work, it is important that these kinds of interventions are mainstreamed throughout commissioning processes and that funding is made available for this crucial preventative work that not only improves the quality of life for older people but also leads to significant cost savings for our health and social care services.

Social care services throughout Wales are continuing to struggle with well-documented problems in the recruitment and retention of staff, increases in demand for services and budgets that often constrain their ability to provide services to all those that need them. The Draft Budget will need to ensure there is sufficient funding provided for social care services to meet the challenges that have come with the pandemic, whilst also looking at how to invest in a sustainable model of social care that addresses the long-term future of services and how they are paid for. It is welcome that the Welsh Government has resurrected its Inter-Ministerial Group on Paying for Social Care, in light of announcements on the future of social care funding in England, and this group must act quickly to come forward with proposals for the future of social care in Wales.

Reform of this system will be an essential part of our recovery from Covid-19, as we seek to ensure that we move into the future with public services that are better equipped to cope with the challenges ahead and that lessons have been learned from this period. Ensuring that this recovery works for everyone must be an important part of considerations for the Welsh Government's Budget for next year and there must be due consideration given to the specific needs and circumstances of older people.

The Commissioner's *State of the Nation* report found that progress in tackling key issues that affect older people's lives is now at risk due to the pandemic and that older people's health, independence and quality of life will suffer without appropriate action across society. The report found that older people are being particularly impacted by the economic consequences of the pandemic, with unemployment rising highest amongst 50-64 year olds compared to other age groups during this period and that take-up for the Job Retention Scheme is reducing more slowly for the over 65s than any other age group. At the end of

August 2021, the over 65s had the highest take up of the now defunct Scheme of all age groups (7% of females, 8% of males, compared to 4% and 5% respectively for total female and male populations).¹

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The current timelines for budget information give a limited timeframe to plan accordingly for the financial year ahead. A more long-term approach that looked at providing advanced budgetary information for multiple years into the future would provide the ability to better plan and therefore provide more stability for organisations such as ours.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

In order for the Welsh Government's Budget to properly reflect the needs and wishes of the Welsh people, it must be considered how the public can feed into the process for setting the Budget and its priorities. There should be opportunities made available for older people, and the rest of the population, to be able to participate in the decision-making process, particularly given the significant impact that the Covid-19 pandemic continues to have on people's everyday lives.

The Committee may wish to consider how it is engaging with the public as part of its Budget scrutiny process to enable contributions from the general public, as well as inviting contributions from key stakeholders and interested parties.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

It is crucially important that the funding received by the Welsh Government properly reflects the different demographic profile of Wales and, given the proportionately older population that Wales has now, and will continue to have into the future, this must be considered when determining the level of funding made available to Wales.

However, the Welsh Government must also look at opportunities to maximise the leveraging of funds from Westminster through other channels. For example, modest investments in campaigns to increase take-up of financial entitlements, such as Pension Credit, can bring much needed money into the pockets of the poorest older people in Wales, whilst also giving a boost to local economies, where older people are likely to spend this additional income.

The Department for Work and Pensions estimates that Pension Credit goes unclaimed by 40% of those that are eligible², which could be worth as much as £214m a year to older people and the Welsh economy more widely.³ As well as providing additional income, claiming Pension Credit also entitles you to a number of other forms of support, such as council tax discounts, free dental care and help with housing costs.

In November 2019, the Commissioner worked with Transport for Wales to distribute a leaflet encouraging people to claim Pension Credit with all renewed concessionary bus passes, which were sent to everyone in Wales over the age of 60 in 2019. With financial support from the Welsh Government, over 500,000 leaflets were delivered in total throughout Wales. During the period that this leaflet was sent out, data from the Department of Work and Pensions shows that the number of new Pension Credit claimants in Wales was **26% higher** compared with the average per quarter over the previous two years and that **over £10,000 a week – over £500,000 a year** – was now estimated to be in the pockets of older people who otherwise would have missed out.⁴

The Welsh Government has also established an Income Maximisation and Benefit Take-up Working Group with cross-sector membership. The Group launched a short Welfare Benefit Awareness Campaign across multiple channels which it calculated resulted in an additional **£651,504** of entitlements being claimed.

Two further targeted take-up campaigns have also been piloted, one focusing on BAME communities combining community-based access partners linking to advice partners and the other pilot through regional Citizens Advice services focussing on different target audiences which engaged with over 1440 people over the six-month pilot and calculated that it improved their income by **£2,468,052** across a range of entitlement claims.

Investments in campaigns such as these, with strong national messaging and targeted local interventions, can play an important role in supporting Wales' recovery from the Covid-19 pandemic and should be considered further by the Welsh Government as a key component of actions to alleviate poverty amongst older people.

The Welsh Government should also further develop how it engages with UK-wide and international programmes and schemes to access grant funding or to learn from others. For example, the Welsh Government is engaging with the UKRI's Heathy Ageing Challenge which provides opportunities for Welsh projects to bid for funding from a UK-wide pot.

The Welsh Government should also be engaging with the United Nations Decade of Healthy Ageing, which is running from 2021-30 and provides an opportunity to showcase the positive work underway here around developing age-friendly communities but also to learn from other parts of the world about effective interventions that could be implemented in Wales.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

As has already been mentioned earlier in this response, it is important that the Welsh Government looks at the specific needs and circumstances of older people when considering our economic recovery and ensure that bespoke approaches are taken to support older people to get back into work and offer opportunities to those that need to reskill or retrain. Recent research highlighted in the Commissioner's *State of the Nation* report found that whilst 90% of older people believe that they have the transferable skills to move industry if they were offered training, only 35% of employers surveyed would be prepared to hire and offer training to someone over 55 in a new industry.⁵

This way of thinking needs to be disrupted and we must challenge the age discrimination that many older workers continue to face in the workplace. Wales, like many other nations, has an ageing society and if we are to truly make a success of this, we must look at the opportunities available to support people to stay in work longer or return to work by offering more flexible and carer-friendly policies, having a greater focus on the health and wellbeing of workers, and ensuring that training opportunities, such as apprenticeships, are marketed appropriately to older workers to drive take-up.

People over 50 already make up 35.3% of the total Welsh workforce and this is only likely to increase over the coming years and decades. If we are to support an economic recovery that works for everyone and that seeks to address long-term challenges and opportunities then we must move away from outdated models that are based on a 'working age population' that does not adequately reflect our current or future status and ensure that Wales embraces older workers as an integral and growing part of our workforce.

How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education & Approach to preventative spending and how is this represented in resource allocations

As previously mentioned on page 2, the Commissioner has put forward proposals to the Welsh Government for investment in the community and voluntary sectors to address the impacts of the Covid-19 pandemic on the mental and physical health of older people. This investment is vital, not only in rebuilding people's confidence and helping older people to re-engage with their communities, but also to ensure that additional pressure is not placed on the health and social care services in the medium and long term through increased admissions to emergency departments and increased need for statutory social care support.

Alongside this investment, the Welsh Government and Welsh NHS must look at addressing the backlogs in elective treatment that have compiled during the pandemic period. These treatments and procedures can be life-changing for older people and too many have been living in pain and with limited mobility over the last 18 months. The health of many of the individuals waiting for these treatments is likely to have deteriorated over this period and for some, it may already be too late for these interventions to be effective. It is important that those that are waiting for procedures are communicated with effectively so that they know when to expect to receive their treatment and what steps they can take whilst they wait to maximise their health and wellbeing. Older people's charity Independent Age has looked at this issue in relation to England and highlighted the importance of ensuring people receive appropriate support, communications and treatment whilst they are waiting for surgery. The report recommends that the NHS engages with older people to hear their voices and to "*transform the waiting period from one of anxiety to one of patient empowerment, preparation and holistic support*".⁶

Many cancer screening programmes were also paused during the pandemic, including breast cancer screening,⁷ and it is important that investment is made in these life-saving interventions in order to catch up with any appointments that were missed or delayed due to the pandemic.

As with many aspects of the pandemic, the impact of backlogs and pauses in health and care treatment will not be felt equally across our society. As reported in the Commissioner's *State of the Nation* report, there continues to be significant health inequalities in Wales between those in the poorest and most affluent areas. Older people in our poorest communities are already likely to die far earlier than those in more affluent areas and support to catch up with services must be focused on those most in need and that are most affected by waiting for treatments or procedures.

How evidence is driving Welsh Government priority setting and budget allocations

Understanding the experiences and circumstances of older people in Wales is essential to identifying and implementing effective public policy. However, it is too often the case that data and evidence is not collected or analysed in a way that can be broken down by age or

by intersectional characteristics of the older people, for example by gender, ethnicity or sexuality.

This is particularly the case for data and evidence collected about older people's experiences of abuse, which continues, despite some positive steps forward, to not be fully understood and recognised. Much of the data collected about abuse, and particularly domestic abuse, can often stop at a certain age or group everyone over 60 or 65 into one category, which does not enable an understanding of how older people in different age groups are affected.

Without this crucial evidence about older people's lives, there is a risk that decisions about priority setting and budget allocations may not take account of the specific needs and experiences of older people and overlook interventions that could improve older people's quality of life and provide support when they need it most. This evidence and data is also important to evaluate whether intervention and decisions are effective in achieve their objectives or whether funding could be better used elsewhere.

The Covid-19 pandemic has impacted the collection and collation of some of this data, in particular around social services and safeguarding, which were paused at the start of the pandemic and there is yet to be any data published to cover 2019-20 and 2020-21. The Welsh Government must ensure that action is taken as quickly as possible to address these gaps in understanding, either through publishing data that is available or finding alternative ways to evidence older people's experiences during the last 18 months.

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- ¹ HMRC (2021) *Official Statistics: Coronavirus Job Retention Scheme statistics: 7 October 2021*. Available at: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-7-october-2021/coronavirus-job-retention-scheme-statistics-7-october-2021#furlough-by-age>
- ² Department for Work and Pensions (2020) *Income-related benefits: estimates of take-up: financial year 2018 to 2019*. Available at: <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019>
- ³ Independent Age (2020) *Pension Credit: a closer look*. Available at: <https://www.independentage.org/pension-credit-a-closer-look>
- ⁴ Older People's Commissioner for Wales (2021) *New data reveals an increase in the number of new Pension Credit claimants during Commissioner's campaign*. Available at: [https://www.olderpeoplewales.com/en/news/news/21-03-24/New data reveals an increase in the number of new Pension Credit claimants during Commissioner's campaign.aspx](https://www.olderpeoplewales.com/en/news/news/21-03-24/New%20data%20reveals%20an%20increase%20in%20the%20number%20of%20new%20Pension%20Credit%20claimants%20during%20Commissioner's%20campaign.aspx)
- ⁵ 55/Redefined (2021) *Shut out, forced out and overlooked Ageism at work: Attitudes on employment over the age of 55*. Available at: <https://www.55redefined.com/drafts/shut-out-forced-out-and-overlooked-an-ageism-report>
- ⁶ Independent Age (2021) *Patiently Waiting: Older people's experiences of waiting for surgery*. Available at: <https://www.independentage.org/policy-and-research/patiently-waiting>
- ⁷ Public Health Wales (2020) *Screening during the Coronavirus Pandemic - Breast Test Wales*. Available at: <https://phw.nhs.wales/services-and-teams/screening/breast-screening/screening-during-the-coronavirus-pandemic-breast-test-wales/>

The Older People's Commissioner for Wales

The Older People's Commissioner for Wales protects and promotes the rights of older people throughout Wales, scrutinising and influencing a wide range of policy and practice to improve their lives. She provides help and support directly to older people through her casework team and works to empower older people and ensure that their voices are heard and acted upon. The Commissioner's role is underpinned by a set of unique legal powers to support her in reviewing the work of public bodies and holding them to account when necessary.

The Commissioner is taking action to end ageism and age discrimination, stop the abuse of older people and enable everyone to age well.

The Commissioner wants a Wales where older people are valued, rights are upheld and no-one is left behind.

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ffôn • tekst • sgwrsio byw • ebost
call • text • live chat • email


Cymorth i Ferched Cymru
Welsh Women's Aid
Rhoi Merched a Phlant yn Gyntaf
Putting Women & Children First

Welsh Women's Aid Response: A call for information – Welsh Government Draft Budget proposals for 2022-23

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These are the views of:	<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>

About Welsh Women's Aid

Welsh Women's Aid is the umbrella organisation in Wales that supports and provides national representation for independent third sector violence against women, domestic abuse and sexual violence (VAWDASV) specialist services in Wales (comprising our membership of specialist services and members of the regional VAWDASV Specialist Services Providers Forums). These services deliver life-saving and life-changing support and preventative work in response to violence against women, including domestic abuse and sexual violence, as part of a network of UK provision.

As an umbrella organisation, our primary purpose is to prevent domestic abuse, sexual violence and all forms of violence against women and ensure high quality services for survivors that are needs-led, gender responsive and holistic. We collaborate nationally to integrate and improve community responses and practice in Wales; we provide advice, consultancy, support and training to deliver policy and service improvements across government, public, private and third sector services and in communities, for the benefit of survivors.

We also deliver the Wales National Quality Service Standards (NQSS), a national accreditation framework for domestic abuse specialist services in Wales (supported by the Welsh Government) as part of a UK suite of integrated accreditation systems and frameworks. (More information on the NQSS can be found here: <http://www.welshwomensaid.org.uk/what-we-do/our-members/standards/>)

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Introduction

Welsh Women's Aid welcomes the opportunity to respond to this call for information. At the time of submitting this response we have recently launched our annual [State of the Sector report](#).¹²

This year's report, *A Strategy for Sustainable Support*, calls on the Welsh Government to renew its commitment to develop a sustainable funding model for the Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV) specialist sector in the new VAWDASV Strategy. The report outlines why sustainable funding is absolutely crucial to ensuring survivors receive safety and support and outlines practically how the model can be developed.

We highlighted some of the key impacts of uncertain funding of services within the document which we hope will help inform the development of both a sustainable funding model, and the 2022-23 budget.

- There was a 22% increase in the number (692) of survivors who could not be supported by the refuge due to the lack of capacity or resources, when compared with the previous financial year.
- Refuge-based support services supported 283 children per quarter, showing a continued high number of children in refuge during the pandemic with limited access to specialist child support workers.
- Community based services received a 23% increase in referrals from the previous financial year and a 12% increase in the number of survivors who could not be supported by community-based support services due to resource and capacity issues.

The commitment for sustainable funding must be renewed and delivered if we are to guarantee that support for survivors will be available when they need it and should be part of Welsh Government plans for future budgets.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

We welcomed the following uplifts within the 2021-22 budget:

- Additional £1.6m to support VAWDASV preventative work
- Additional £40 million for the Housing Support Grant
- Additional £37m for social housing

¹ <https://www.welshwomensaid.org.uk/wp-content/uploads/2021/10/State-of-the-Sector-2021-ENG-1.pdf>

² <https://www.welshwomensaid.org.uk/wp-content/uploads/2021/10/State-of-the-Sector-2021-CYM-1.pdf>

- Additional £4m for the Homelessness Prevention Grant (to continue emergency COVID provision)

However, what we continue to advocate for is a sustainable funding model for specialist VAWDASV services. Whilst we welcome additional money for prevention without strategic oversight, strengthened links with survivors and the specialist sector and clear local authority duties, this money is not allocated in the most beneficial way. There is very little public information on how this prevention money was allocated or what monitoring processes have been put in place to ensure it is meeting its intended purpose.

It needs to be recognised the Welsh Government VAWDASV Grant, is only a small proportion of the funding that specialist services received to enable them to deliver support. The VAWDASV Grant does not cover the significant amount of costs that it takes to have a network of specialist VAWDASV services across Wales. Specialist services are primarily funded through other government funding streams administered via local authorities and situated in other government directorate budgets, including Housing Support Grant, Community and Children's Grant as well as non-devolved funding via PCCs or UK Government such as the Rape Support Fund.

The Housing Support Grant is a vital to ensuring accommodation based provision is provided. We welcomed Welsh Government listening to calls for funding to be increased for the Housing Support Grant, which delivers homelessness prevention and housing-related support services in Wales. In preventing homelessness it is critical that the duties imposed by the Housing Act (Wales) 2014 enable survivors to access refuge and other accommodation options swiftly, or where appropriate, to stay safely within their own homes. Section 57 of this Act specifies that whether a person or a member of that person's household is at risk of abuse, including domestic abuse, is a factor in determining whether it is reasonable to continue to occupy accommodation.³ It remains the case that the number of survivors who continue to face barriers to accessing support, particularly due to additional support needs, continue to rise. The pandemic has magnified the importance of a safe and secure home. Each survivor's needs will be unique to their experience, services must be well resourced to offer this flexibility. There is also a clear need to strengthen protections and support options for survivors of sexual exploitation.

There was a significant increase in the following reasons for refusal from refuge over the previous financial year:

- Unable to meet support needs (around drug and alcohol) (27%)
- Unable to meet support needs (around mental health) (61%)
- Unsafe (perpetrator knows the location of the survivor/ refuge) (92%)
- No/ limited recourse to public funds (29%)

³ <https://gov.wales/sites/default/files/publications/2019-06/guidance-for-local-strategies.pdf>

A total of 692 survivors were unable to be supported in refuge due to capacity and 312 survivors remained on waiting lists for sexual violence services at the end of financial year 2020-21. Members do not currently feel able to widen preventative work, or to increase capacity in order to provide support to more survivors due to limited resourcing and uncertainty over sustainability of funding.

The COVID-19 pandemic has already resulted in an increase in contacts from survivors (22%) and concerned others (43%) to the Live Fear Free Helpline during 2020-21. The impact of COVID-19 restrictions on survivors' experiences of abuse and violence is likely to lead to increased long term support needs, including provision for children and young people. Increased mental health needs are expected to increase as the long-term impact of COVID-19 and increased austerity affects people's health and wellbeing; it is likely that the demand for provision will only increase over time.

If another unexpected event such as the COVID-19 pandemic were to happen, then services would not have the means to facilitate the flexibility to adapt services and meet increased needs, especially not without compromised quality and staff burnout.

Emergency funding

A large majority of emergency funding for specialist VAWDASV services to address impacts of the COVID-19 pandemic were due to come to an end in March 2021. Our membership constantly reported that this approach to funding has been counterproductive in aiding them in providing a service to all who need it. Last minute decisions to extend funding to 2021-22 financial year or additional short term emergency funding, came too late to retain staff on short term contracts or added additional burdens of new funding application processes. For small services short term and last-minute funding process often create additional bureaucratic processes that they do not have the capacity to engage with.

There was also a reported lack of consistency in the way these funds have been administered through regional approaches. As highlighted in our response last year, whilst in some region's approaches were effective in identifying needs of local services and administering swift access to funds. Some specialist services have noted this has not happened swiftly across all regions and levels of monitoring have been bureaucratic and burdensome in some areas. Greater oversight and leadership from Welsh Government is required to ensure that funding is administered with equitable processes across all regions. This would be greatly helped through the implementation of a sustainable funding model and monitoring of adherence to the Welsh Government statutory VAWDASV commissioning guidance across all relevant devolved public funding streams for the sector.

These issues have continued into the 2021-22 financial year, with increased difficulty to the existing issues around staff recruitment and retention.

Staff retention is an extremely pertinent issue currently facing specialist services. As an example, our members are currently able to pay £20,541 for a support worker role, whilst local housing association pay between £24,000 -£26,000 for similar roles. Even for equivalent roles, specialist services receive significantly lower funding to offer wages. For instance, an ISVA in a rape crisis centre has a wage of £27,444 but the statutory sector run SARC offers a wage of £35,000 within the same locality.

This inequality is particularly stark in specialist children and young people roles where an average local authority based role working with children pays 9.1% higher than those in the VAWDASV sector that require additional specialisms and skills. The specialist sector is working within tight budgets and has less flexibility than larger generic or public sector to raise wages to attract appropriate staff when necessary.

Other challenges include:

- Staff may feel undervalued seeing higher wages outside of the third sector
- Additional training and support costs for recurrent new staff put services at financial risk
- Capacity is taken away from service delivery to train new staff
- Creating roles around specific funding requirements set by government bodies, rather than meeting the needs of survivors.
- People not wanting to change jobs during the uncertainty of Covid-19

Children and Young People

Concerns have consistently been raised by services and wider stakeholders about the existing postcode lottery of specialist services for children and young people affected by VAWDAS across Wales. We are concerned about the current capacity levels of specialist services to provide adequate support and the knowledge of public bodies, including schools, to enable early intervention and referral routes to specialised services. Limited specialist support and ineffective statutory responses to disclosures are leading to some young reporting significant impact on their ability to recover from the abuse.⁴

The 'I Trust Them' Report 2021⁵ highlighted the need to address the way in which children and young people who are experiencing VAWDASV are responded to when they seek support, as well as improving education and awareness-raising around what constitutes VAWDASV. The findings suggest that normalisation / lack of understanding of abuse, combined with a culture of victim-blaming, remain prevalent factors affecting young people's likelihood of seeking support. It is also clear that key institutions, especially the police and education, are not considered accessible,

⁴ <https://www.welshwomensaid.org.uk/wp-content/uploads/2021/06/I-trust-them-CYP-Resilience-Survey-Report-English-1.pdf>

⁵ Ibid

desirable, or trustworthy places to seek support by many young people, and that this is partly due to previous bad experiences and/or lack of means to attend. This is more pronounced for young people from Black and minoritized backgrounds.

Worryingly, there are still some specialist VAWDASV services in Wales that do not have any dedicated funding for support children and young people. Provision is very limited when compared to the population in the areas of service coverage. Short-term (mostly from trusts and foundations) and low levels of funding means that services are precarious. This impacts on staff-turnover and service continuity, which impacts adversely on children and young people who have experienced trauma and need time to build trusting relationships with professionals.

This said, some VAWDASV services in Wales are offering trauma-informed specialised domestic abuse and sexual violence counselling, and play therapy services for children and young people, which could inform best practice and development and commissioning of further services.⁶

The current lack of strategic commitment and funding is often due to the needs of children and young people affected by VAWDASV not being identified within strategic commissioning processes. Often specialist service funding is centred on adults needs, meaning children and young people's provision, if available, is often incumbent of an adult entering services.

Staff turnover, and difficulties recruiting have a financial and emotional cost. Delivering a trauma informed, needs- led service means having consistency and stability for survivors, particularly children and young people.



If long term funding is not gained, we will lose all our children's workers.



COVID-19 has brought into sharp focus the sector's inability to cope with sudden change in need, with the current funding structure, and the long-term effects this will have on service provision. Specialist services made huge efforts to ensure the support was available to survivors when they needed it, but short-term funding cycles, non-flexibility in grants and trouble with emergency funding reaching the

⁶ <https://www.welshwomensaid.org.uk/wp-content/uploads/2019/11/Children-and-Young-People-participation-report-FINAL.pdf>

front line⁷ meant this support came at a human cost. Our members and their staff continue to work tirelessly as the response to the pandemic continues to develop, and they consistently report staff burn out and vicarious trauma. The year on year funding cycles and short-term emergency funding exacerbates this through limited job security and ability to retain trained, expert staff within the sector. This has knock on impact on service deliver, leaving gaps in provision due to regular gaps in recruitment, increasing waiting lists and limiting levels of support.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

The COVID-19 pandemic continues to magnify existing gaps in policy, planning and provision relating to Violence Against Women, Domestic Abuse, and Sexual Violence (VAWDASV). The VAWDASV sector has seen further challenges, such as staff shortages however have continued to work tirelessly to maintain their provision as an essential service during and following the COVID-19 pandemic. In the last financial year, a shadow pandemic was declared by the United Nations in light of the increases globally of VAWDASV during COVID 19.⁸ Evidence has shown that violence against women tends to increase during every type of emergency, including epidemics.⁹ In our response to the 2021-22 budget we highlighted how the pandemic has exacerbated already existing inequalities. Older women and women with disabilities are likely to have additional risks and needs.¹⁰ Imkaan has reported that services led 'by and for' black and minoritised women have reported significant increases in demand – particularly for refuge spaces.¹¹

The pandemic has had a huge impact on every part of every society; for the VAWDASV sector it was magnified the devastating lack of flexibility allowed by the current funding model and strategic oversight at national and regional levels. This impacted services abilities to deliver support. Despite the welcomed emergency funds during the pandemic providing some assistance the overall model of unstable and uncertain funding means services have not been able to support survivors in some of the most vulnerable situations facing multiple disadvantage.

Violence Against Women, Domestic Abuse and Sexual Violence is a Welsh Government priority. Welsh Women's Aid call for this priority to be re-centred and at the forefront of policy and decision making

⁷ <https://www.welshwomensaid.org.uk/2020/04/welsh-womens-aid-stresses-urgent-need-for-funding-for-support-services-due-to-covid-19/>

⁸ <https://www.unwomen.org/en/news/stories/2020/4/statement-ed-phumzile-violence-against-women-during-pandemic>

⁹ <https://www.cgdev.org/sites/default/files/pandemics-and-vawg-april2.pdf>

¹⁰ <https://apps.who.int/iris/bitstream/handle/10665/331699/WHO-SRH-20.04-eng.pdf?ua=1>

¹¹ Imkaan, The Impact of the Two Pandemics: VAWG and COVID-19 on Black and Minoritised Women and Girls, May 2020 https://829ef90d-0745-49b2-b404-cbea85f15fda.filesusr.com/ugd/2f475d_6d6dea40b8bd42c8a917ba58ceec5793.pdf



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across portfolios including health, housing, education and the economy. This requires VAWDASV to be a priority within it is budget across portfolios.

Welsh Government must ensure that VAWDASV specialist services are adequately resourced to meet known levels of current demand for support presented in every local authority area, as identified in needs assessments and by specialist services and commissioners working together.

There must be a renewed commitment to investing in the delivery of duties within the existing legislation across all directorates. The Violence Against Women, Domestic Abuse and Sexual Violence (Wales) 2015 Act has existed now for six years, and there are still areas where commitments are not closer to being reached. The COVID-19 pandemic has highlighted the lack of cross government strategic awareness and focus on the legislation's intended purpose to enable a cross-government, cross-department response to end VAWDASV and end the postcode lottery survivors face when seeking safety and support. We believe that until the purpose of the Act is achieved, consequences of the pandemic will continue to disproportionately effect survivors of VAWDASV.

Additionally, the national strategy ends this year (2021), the new strategy, now in development, must be ambitious, and include measurable actions cross-government aligned to adequate budget commitments to achieve these.

The Welsh Government must provide leadership to local authorities and health boards to ensure that these are delivered across all regions, in particular ensuring that the Statutory VAWDASV Commissioning Guidance is adhered to across all devolved funding streams at a national and local level. Feedback from specialist services notes that the guidance is not being adhered to across local authority commissioning practices or national funding streams. With specialist services being taken in house without effective consultation of survivors and counter to expert advice. With emergency COVID-19 grants, specialist services have fed back to Welsh Women's Aid that processes have been overly bureaucratic and have not reflected the principles of flexibility and swiftness that were so welcomed when set out by Welsh Government. We have raised this with Welsh Government however there seems to be limited leadership in holding local authorities to account in line with the statutory VAWDASV commissioning guidance.

A clear budgetary alignment to achieving the national strategy and deliver plan with re-instated governance structure to provide leadership and oversight, that is emulated across regions would assist in ensuring that there is greater progress in the aims of the VAWDASV (Wales) Act 2015 and allow for the legacy of what has been achieved through this strategy to be built on. Similarly, it would provide strength to hold to account regional bodies to their duties under the Act and effectively provide oversight to monitoring the implementation of a sustainable funding model and commissioning guidance.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the

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ongoing volatility and uncertainty?

A continued issue for VAWDASV specialist services is short term (one year) funding cycles. As we highlighted in our response to the committee in its call for evidence on the 2021-22 budget (and several previous years) the VAWDASV sector continues to face uncertainty because of a lack of secure and sustainable funding. Specialist by and for Black and minoritized women services, services for women with multiple needs and sexual violence services remain particularly at risk. Little has changed since our State of the Sector 2018 report found sexual violence services faced the largest overall reduction in funding during the previous two financial years of 20.2%. Our last two annual State of the Sector reports have set out clear recommendations for the delivery of a sustainable funding model for the sector. Sustainable should mean longer term funding (at least five year cycles), cross directorate budgetary commitment and high quality, collaborative commissioning practices.

As previously highlighted there is a postcode lottery for children's workers, the lack of available support for survivors with no recourse to public funds, and the impact of cost of living increases. The preparedness of the sector for the coming year in terms of funding in regards to these issues has not improved, and these existing issues have been further magnified and exacerbated by the continued development of the COVID-19 pandemic.

These remain priorities and areas which need to be urgently addressed by Welsh Government and reflected in its development of the 2022-23 budget. VAWDASV specialist support services are currently funded through a patchwork of local, regional and national commissioning and grants as well as charitable funding pots - often with short contracts. Welsh Government continues to provide each local authority with grant funding to invest in VAWDASV, however, this grant represents a very small part of the overall resources that will be invested across Welsh Government and the wider statutory sector. There remain differing funding levels and processes according to different local authorities, Health Boards and Police and Crime Commissioners.

Significant areas of government—economic policy, health, education, employability, poverty, addressing serious violence, for example—have evidenced little commitment to investing in preventing or responding to VAWDASV to date. Others such as housing, social services, children and communities invest in responses relevant to VAWDASV but are not joined up to the strategic approach to VAWDASV, posing the danger of ineffective responses being funded, duplication and siloed approaches.

We make similar arguments for sustainability of funding year on year. The main issues continue to be:

- **Security for survivors.** The number one goal of all VAWDASV specialist services is to be there to offer safety and support for survivors. Membership surveys consistently show that due to funding circumstances, many services are unsure of how they will be operating the following year. Survivors deserve to know that support for them is consistent and will always be there for them if they need it.



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- **Staff retention.** Over 50% of our members have told us (in the last 3 months) that recruitment continues to be a concern. Uncertain funding means an increase in short-term contracts, making it more difficult for services to recruit and retain their workforce. Specialist services require staff with specialist skills, meaning a lot of time and resource is invested in training and support. Having to retrain multiple new-starters due to difficulties in retaining workforce is unsustainable.
- **Competitive tendering.** Current tendering processes are pitting specialist services against each other as competitors rather than allies. Members constantly report wanting to share knowledge, skills and resources, and though this does occur services also have to consider how they will survive to continue vital work supporting survivors and staff when time comes to tender for contracts.
- **Postcode lottery.** Services are not funded consistently across Local Authorities and this lack of an overall view of how the specialist sector is funded makes it difficult to identify gaps in provision and think strategically on ending VAWDASV as a whole. The core aim of the VAWDASV (Wales) Act 2015 was to end postcode lottery in the prevention, protection and support for VAWDASV, that this continues nearly 7 years later highlights significant need to prioritise strategic leadership in the Acts implementation.
- **Firefighting and capacity for future planning.** Short funding cycles only allow services to focus on the crisis right in front of them, and leaves little room for strategic planning, prevention or wider work which would benefit survivors' experiences and enable long-term freedom from abuse.
- **Limited activities and bureaucracy.** Funding coming from an uncoordinated variety of sources means services must dedicate a lot of time and resources to writing applications and reporting to multiple outcomes frameworks. These different pots are also often for specific activities and limits wider strategic thinking.

With the recent UK Spending review projecting the next three years, this is an opportune time for Welsh Government to explore longer term funding cycles and monitor changed practices and benefits.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

Absolutely. Welsh Women's Aid have been part of the steering group informing the development of the new VAWDASV strategy. In an in-depth briefing¹² we referenced that governance and accountability must be a key part of this strategy's delivery. At present there is no collective

¹² <https://www.welshwomensaid.org.uk/wp-content/uploads/2021/11/WG-National-VAWDASV-Strategy-Consultation-Briefing-21-1.pdf>

framework under which these areas and groups sit within the work of the National Strategy or provide links to related areas of government work such as housing, curriculum development, safeguarding, child sexual abuse strategy, modern slavery, equalities, mental health and substance misuse. It is vital that the proposed blueprint and new strategy are representative and provide cross government directorate framework to oversee delivery There needs to be scrutiny from Welsh Government to ensure that adequate levels of investment from all relevant grants to VAWDASV is committed to across all devolved public bodies within the VAWDASV (Wales) Act 2015 is actually happening on the ground to ensure the prioritising of prevention, support and protection.

Recommendations

- Create a national strategy and delivery plan which includes cross-government action, developed, implemented, and monitored in partnership with survivors and the specialist sector.
- The new strategy must be ambitious, and include measurable actions cross government, and set out how it will work with devolved public body duties of local authorities and health boards.
- Re-instate a national oversight group led by the Minister, with cross government, public sector, VAWDASV sector and survivor representation, this groups should provide a framework for thematic groups to feed into.
- Implement the requirement for regional strategic VAWDASV boards to build collaborative governance of strategies at local levels in line with Welsh Government Local Strategies Guidance.¹³

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

There has been a significantly high prevalence of violence against women for far too long. VAWDASV is a vast spectrum and a pervasive threat that women and girls are contending with on a daily basis, including their ability to participate in work and education.

- 1 in 3 women in Wales will experience physical or sexual violence in their lifetime. (FRA Report)

¹³ <https://gov.wales/violence-against-women-domestic-abuse-and-sexual-violence-guidance-local-strategies>



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- Live Fear Free Helpline responded to 30,063 contacts last year – there was a 22% increase in contacts from survivors and 43% increase in contacts from concerned others. (Live Fear Free 2020-21 statistics)
- Four out of five women in Wales have experienced some form of workplace sexual harassment. (No Grey Are: Welsh Women's Aid)
- 97% of women aged 18-24 have been sexually harassed. (UN Women)
- 1.5% of reported rape cases result in a charge. (Home Office)

Welsh Government has stated 3 years ago it is working on making Wales the safest place for women, however since that announcement at least 24 women are suspected to have been killed by male violence. Violence against women and girls should be an absolute priority.

– Welsh Government policies to reduce poverty and gender inequality.

All forms of VAWDASV are rooted in and are expressions of unequal gender relations in society; these reinforce and intersect with sexism, racism, homophobia and other forms of discrimination. The violence, abuse and disadvantage faced by women intersects with factors such as ethnicity, age, class, sexuality and disability, meaning these women experience these atrocities in a different, often more severe way.

Welsh Women's Aid welcomed the Welsh Government announcement in October 2018 that it supported the Istanbul Convention in principle and call for the UK government to ratify. In the current National VAWDASV Strategy, the Welsh Government sets out its commitment to the articles of the convention that align to the reserved powers of the Welsh Government. The convention sets out a minimum standard for adhering states to “take necessary legislative and other measures to promote and protect the right for everyone, particularly women, to live free from violence in both the public and private sphere.” (Article 4)

If the Welsh Government is to adhere to its statement of support then the budget must set out levels of funding that meet the requirements of the convention to ensure all survivors have a right to support. As the convention sets out violence against women, domestic abuse and sexual violence is both a cause and consequence of gender inequality.¹⁴

Structural inequalities and discrimination based on class, sexuality, ethnicity, immigration status, ability, mental health, or age, can lead to some women and girls being more likely to be abused and to face additional barriers in accessing justice and support. Intersecting inequalities within structures, practices and social norms can lead to additional layers of legitimising, condoning or concealing of violence and abuse which, in turn, sustains and reproduces these inequalities. Systemic barriers facing Black and minoritised women, migrant women, Deaf and disabled women, LGBT+ survivors and women facing multiple forms of disadvantage must be dismantled.

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The Domestic Abuse Act 2021 failed to meet commitments under the Istanbul Convention, particularly as it does not guarantee support for migrant women with no recourse to public funds (NRPF). In 2020-21 29% of referrals from women with NRPF to refuge s in Wales, were not accepted due to the lack of capacity or resource to meet the need. Welsh Women's Aid are urging the Welsh Government to have its own approach to ensuring all survivors have access to safety and support in line with its commitments to be a Nation of Sanctuary. Welsh Women's Aid has been formally advised by barristers that the Welsh Government would be acting within its powers if it provided a fund to support survivors affected by the NRPF rule. We therefore urge the Welsh Government to be bold and lead the way on implementing Article 4 of the Istanbul Convention through providing a last resort fund to support women with NRPF within its new budget.

In our joint report with Disability Wales¹⁴ we made a series of recommendations for Welsh Government which we feel should be included as commitments in the next strategy. Particularly around incorporation of the UN Convention on the Rights of Disabled People (UNCPRD) in Welsh policy and legislation, access to support and strategic regional partnership. In December 2019 the Welsh Government announced an uplift for 1.2 million capital funding of the sector to support increased accessibility, due the pandemic this fund was repurposed by Welsh Government to support the impact of COVID costs on adapting services. Welsh Women's Aid asked the Welsh Government in a letter in April 2020¹⁵ how it will ensure funding is provided to address the original needs that still exist and need to be resourced with even greater urgency than before. The increase of survivors unable to be supported by services due to the lack of capacity or resources to meet their needs has highlighted the impact of the lack of these additional funds. This new budget must address this to ensure equitable access to support for all survivors.

It is vital that the new budget enables equal access to support through effective resourcing of services as well as ensure that the National Training Framework delivery adequately improves understanding and response for disabled women who are survivors of VAWDASV.

This budget must take into account the new VAWDASV strategy, being developed in parallel to Wales' LGBTQ+ Action Plan, the Ending Homelessness Action Plan and the Welsh Government Race Equality Action Plan. These strategies should be supportive of one another, inform the development of this budget and work holistically to tackle the root causes of violence and inequality. Cross governmental work should facilitate joined up working across strategic areas to align equalities work and VAWDASV.

¹⁴ <https://www.welshwomensaid.org.uk/wp-content/uploads/2019/04/WWA-and-Disability-Wales-2019-report-Final-ENG.pdf>

¹⁵ <https://www.welshwomensaid.org.uk/wp-content/uploads/2020/04/COVID-19-VAWDASV-Funding-Public-Letter-to-Deputy-Minister-22.04.2020.pdf>

– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

For years, experts have been referring to violence against women as a major public health problem.¹⁶ This recognises the intersection of factors occurring at the societal, community, relationship and individual levels which increase the likelihood of VAWDASV.¹⁷ Applying a public health approach to VAWDASV requires implementing three types of prevention interventions: primary, secondary, and tertiary prevention across all these levels.¹⁸

Alignment between the duties of the VAWDASV (Wales) Act 2015 and the Well-being of Future Generations (Wales) Act 2015 should mean our public bodies can be ambitious in prioritising the prevention of VAWDASV. This includes investing in public health campaigns that challenge and change attitudes, high-quality relationships and sexuality education for all children and young people, and community engagement programmes that increase communities' knowledge and confidence to enable them to address the root causes such as gender inequality and intersecting discrimination.

Recommendations

- Set out a clear budget commitments across public health, education and community engagement to support prevention work across Wales.
- Ensure alignment of the implementation of the RSE curriculum with the strategy and enable the engagement of VAWDASV leads and specialist services with RSE leads and education professionals.
- Include the co-production of long term public health campaigns aimed at challenging and changing attitudes, align these to community training programmes.

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

Throughout the pandemic VAWDASV specialist services have been making concentrated efforts to both support survivors and raise awareness that support is available. New ways of working have been developed by the sector out of necessity to mitigate damage and stretch limited resources. Practices such as moving from physical to phone and online support where possible, managing a reduced

¹⁶ <https://www.who.int/news-room/fact-sheets/detail/violence-against-women>

¹⁷ Hagemann-White et al. (2010) 'Review of Research on Factors at Play in Perpetration'; <https://www.humanconsultancy.com/assets/understanding-perpetration/bin/Review%20of%20Research.pdf>

¹⁸ <https://www.welshwomensaid.org.uk/wp-content/uploads/2020/12/A-Blueprint-for-the-Prevention-of-VAWDASV27918.pdf>



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workforce, social-distancing in refuge, and remote contact with children and young people have been adopted.¹⁹ In July 2020, Welsh Women's Aid held a [Creating Change that Lasts: Responding to VAWDASV following the COVID-19 Pandemic Roundtable](#) that brought together stakeholders from public health, national and local government, health sector, criminal justice, academia and specialist services to outline how we can build back better. We provided the feedback from this roundtable to Welsh Government and the Future Wales consultation.

We want to take this opportunity to acknowledge the incredible effort our members and the wider specialist support sector has made in protecting the safety of survivors, but also stress that these 'new' methods cannot be sustained long-term. Sustainability and availability of provision to protect and support all survivors of VAWDASV should be a key priority for building back better.

As part of that round table, key stakeholders developed calls to action which are still just as relevant to the current situation, have not yet been fulfilled and should be taken into consideration within this upcoming budget:

1. Recentre Violence Against Women, Sexual Abuse, and Domestic Violence as a Welsh Government priority and renew commitment to embedding existing legislation across all directorates.
2. Ensure funding for the VAWDASV specialist sector is sustainable and reflects nuances across provision.
3. Proactively plan for the safety and support of survivors of sexual exploitation and women engaged in prostitution.
4. Frame 'perpetrator work' as 'prevention work' and ensure a multi-tier of interventions.
5. Commit to a long-term solution for supporting survivors with no recourse to public funds (NRPF).
6. Ensure referral routes to specialist services are prepared for a rise in disclosures by children and young people at schools. (This is particularly relevant as the new RSE curriculum is rolled out)
7. Ensure dedicated children workers in both refuge and community services to provide practical and therapeutic services for children and young people to enable them to recover from their experiences, recognise abuse and develop healthy relationships in the future.
8. Increase the availability of varied flexible accommodation and support for survivors.
9. Do not default back to the inadequacies of pre-COVID court proceedings.

¹⁹ <https://www.welshwomensaid.org.uk/2020/03/responding-to-violence-against-women-domestic-abuse-and-sexual-violence-during-the-covid-19-pandemic/>



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All of the above recommendations require sustainable investment from the new budget and clear oversight structures to ensure this investment is joined up and effectively administered to the specialist services carrying out the work on the ground.

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Chwarae Teg submission to the Finance Committee

Welsh Government Draft Budget proposals for 2022-23

November 2021

Introduction

Chwarae Teg is Wales' leading gender equality charity. We work to secure a fairer Wales where all women achieve and prosper, ensuring that women enjoy economic equality, are fairly represented in all walks of life and are no longer at risk of poverty, violence and exclusion.

As has been well documented, the Covid-19 pandemic has had a profound impact on the lives of many. The crisis has brought into sharp focus the deep rooted inequalities that continue to shape our society and our economy. These inequalities left many groups, including women, more vulnerable to the health and economic impacts of the pandemic.

The budget is one of the most important tools at the Welsh Government's disposal to tackle longstanding structural inequalities: it is only through adequate resource allocation that ambitious policy commitments can be met. We welcome the opportunity to take part in the scrutiny process for the 2022-23 budget. We also welcome the Welsh Government's continued commitment to creating a more equal Wales and embed gender equality into all of its policy and budgetary decisions.

Despite these commitments, however, we need to see further action on implementing the Gender Equality Review in full. Although the pandemic has had a profound impact on capacity within government, we feel strongly that the implementing the recommendations as set out in *Deeds not Words* will support the Welsh Government to achieve its goals on both equalities and recovery from the pandemic. The recommendations represent not just a 'to do list' of policies, but a radical new way of truly embedding equality into the work of government.

Key messages

1. While we welcome this opportunity to inform the Finance Committee's scrutiny of the budget, the limited opportunity for civil society to engage with the scrutiny of the actual draft budget continues to be an issue, something that was recognised in Scotland and where action has been taken to make improvements.
2. We continue to be concerned about the relative importance of equalities in the budget setting process. As based on the most recent example available, the focus on equality feels diluted due to the increasing importance placed on well-being. In particular, the Strategic Integrated Impact Assessment does not appear to be fit for purpose due to the limited engagement with equalities data or analysis to explain the rationale behind the allocation of resources.

3. Only through the full implementation of the Gender Equality Review as set out in *Deeds not Words* will Welsh Ministers be able to achieve their goals of creating a more equal Wales, as this will mainstream an intersectional equalities lens into policy-making and spending decisions.
4. There is a clear need for a comprehensive strategy to tackle poverty so that resource can be directed in a strategic and managed way with a subsequent evaluation of what works and what does not.
5. Childcare remains a barrier to women fully entering the workforce and progressing in their careers. Although we welcome the recent announcement that the Childcare Offer will be extended to two-year olds, additional resource should be allocated to improve Wales' Childcare Offer even further.

Detailed Response

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

- 1.1. As we stated to the Committee during last year's budgetary scrutiny process, women's unequal position in work is one of the most significant contributing factors to gender inequality in Wales. Women dominate in sectors and jobs associated with low pay, insecure contracts and poor working conditions. They are more likely to be in receipt of benefits, to work part-time or fewer hours, and less likely to hold managerial or director positions. This reality is even more acute amongst ethnic minority women and disabled women.
- 1.2. We know that the initial phase of the pandemic exacerbated these long existing inequalities. Women are more likely to be on insecure contracts in sectors shut down by the virus, and are at a higher risk of falling into poverty. The pandemic has also highlighted our dependence on unpaid care, mainly done by women, for both children and vulnerable people.
- 1.3. It is important to note that we still do not know the full extent of the longer term impacts of the pandemic on women and tackling gender inequalities, and although specific streams of funding are welcome, we believe it is too early to adequately assess the impact of Welsh Government interventions as a consequence of the pandemic.
- 1.4. We were pleased to see funding for Violence against Women, Domestic Abuse and Sexual Violence maintained alongside an increase in funding for Equality and Community Cohesion in the Welsh Government's 2021-22 budget.
- 1.5. The increase in funding for the Discretionary Assistance Fund over the past years is also welcome, but as highlighted in recent evidence to the Equality and Social Justice

Committee on indebtedness and the pandemic the DAF needs fundamental reform¹.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

- 2.1. In our response to the Committee last year, we highlighted seven key areas for the Welsh Government to focus on in order to tackle deep rooted inequalities which have been underscored by the Covid-19 pandemic. These key areas are still vital to both support recovery from the pandemic as well as creating a more equal Wales – a central ambition of the Wellbeing of Future Generations (Wales) Act.
- 2.2. We are reiterating these seven areas in this response since, although the Welsh Government has made a progress in some areas, there is more which could be done.
 - 2.2.1. **Prioritise the hardest-hit sectors:** Recovery plans should continue to focus on the sectors which have been impacted most but the pandemic. We must see targeted support for sectors such as hospitality and retail, and much greater investment in care.
 - 2.2.2. **Take a feminist approach to recovery:** We believe the best approach to meet the aims of the Wellbeing of Future Generations (Wales) Act, and the commitment to delivering economic and social justice outlined in the Welsh Government’s Economic Reconstruction plan would be to take a feminist approach to economic recovery. The Gender Equality Review² sets out the means by which the Welsh Government can mainstream equalities into all of its policy making and spending decisions, while also achieving its goals for creating a more equal Wales.
 - 2.2.3. **Focus on employability, training and skills:** Welsh Government budgets must prioritise the employability of women, supporting them to enter, and progress in, decent, fair work. There should be a focus on skills and lifelong learning – we welcome the recent introduction of the Tertiary Education and Research (Wales) Bill to the Senedd. The pandemic continues to impact the labour market and thus targeted interventions in order to support people affected by unemployment and redundancy is vital.
 - 2.2.4. **Invest in childcare:** Although the additional investment in childcare provision in Wales over the past five years through the Childcare Offer is very welcome, and it is valued highly by those who are eligible, there is a clear need for the Welsh Government to commit more resources to ensure a truly accessible childcare system for all parents.
 - 2.2.5. **Create high-quality, flexible jobs:** The pandemic has sped-up changes in the way we work. In the context of the Welsh Government’s goal of 30% of the workforce permanently working remotely, it is vital that adequate resource is provided to

¹ Chwarae Teg, 2021 *Level of indebtedness during the pandemic*

<https://business.senedd.wales/documents/s118028/Chwarae%20Teg%20paper.pdf>

² Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

make sure that home-working plans are fully considered. They must allow for maximum flexibility, and a hybrid home/work model, rather than taking a 'one-size-fits-all' approach. Decisions about community co-working hubs must also be informed by clear equalities analysis to ensure that they are accessible and safe for women.

2.2.6. **Recognise that care is central to our wellbeing:** As we raised in last year's response to the Committee, care must become a key sector in our national economic strategy and we need investment in social infrastructure, including childcare, social care, health care and education, to enable people to engage with the economy, while delivering fair work within these sectors.

2.2.7. **Conduct robust evaluation with a focus on equality:** Although the Welsh Government's piloting of gender budgeting and continued commitment to mainstreaming equalities into the decision-making process is welcome, we need to see more action. We need to see more robust, consistent evaluation of plans, using equalities disaggregated data to show the impact of funding on women in order to avoid unintended consequences that exacerbate inequality.

2.2.8. Additionally to these points which we have made previously, we believe that the pandemic has made clear the **need for a comprehensive strategy to tackle poverty in Wales**. The lack of clear commitments in the Programme for Government alongside a wide-ranging plan for tackling poverty makes allocating resources to actually deal with Wales' poverty problem extremely difficult for government. It also means it is much harder to measure the effectiveness of specific interventions to tackle poverty.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

3.1. Chwarae Teg receives funding from a variety of sources, and in recent years has delivered projects at scale across Wales as a result of European Social Fund funding. With the withdrawal from the EU, and lack of clarity about replacement funds from UK Government, it is difficult for many third sector organisation, including Chwarae Teg, to plan for the long term. In addition, we receive a proportion of our budget from Welsh Government. Budgets are set annually, and contracts often confirmed late in the financial year, making it difficult to plan strategically. We continue to make the case that multi-year funding agreements would ensure organisations are able to deliver more effectively for Welsh Government.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

- 4.1. Yes. Whilst we appreciate that the Welsh Government has to work in the context of the UK Budget and the recent multi-year comprehensive spending review as well as the challenges caused by the Covid-19 pandemic, we question the effectiveness of the current process.
- 4.2. The current timetable for producing the budget substantially restricts the amount of opportunities and time to engage with the process for both civil society and citizens. At the moment, organisations such as ours are usually commenting on hypothetical priorities rather than a tangible commitments.
- 4.3. We believe that work should be undertaken to improve the amount of opportunities to feed into the budget-setting process. The Committee may wish to look at how the Scottish Parliament reformed its budgetary process in 2018 to enable both the Parliament and civil society more opportunity to influence and scrutinise the Scottish Government's budget³.
- 4.4. As we have highlighted in previous submissions to the Committee, we do not believe the Strategic Integrated Impact Assessment is fit for purpose since it does not adequately explain how budgetary decisions are made nor how they link to overarching commitments. Specifically, the 2021-22 SIIA reads as an acknowledgement of issues faced by specific groups decoupled from any substantive commitments or actions.
- 4.5. The planned review of the SIIA should ensure that adequate equality impact assessments are integrated into every area of government. It is also vital that impact assessments provide a clear rationale and evidence base for why decisions have been taken and how these decisions will support the key aim of creating a more equal Wales and tackle structural inequalities.
- 4.6. We believe that the same Integrated Impact Assessment template should be used for both policy and budgetary decisions. This would simplify the process for officials and help to clarify how these assessments have actually impacted policy and spending decisions.
- 4.7. There is a continued lack of clarity from Welsh Ministers over the role of Budgetary Advisory Group for Equality and its role in the future.
- 4.8. Currently, we still do not see meaningful and robust analysis of the impact of Welsh Government spending plans through an equalities lens. This is despite the existence of a number of tools and approaches to fully evaluate budgetary proposals.
- 4.9. Although we welcome the Welsh Government's piloting of gender budgeting, we do not believe that one pilot over the course of two years is sufficient. Only through the full implementation of Gender Equality Review as set out in *Deeds not Words*⁴ will we see budgets decisions being taken that are truly sensitive to gender. Plans for further pilots and the roll-out of gender budgeting within government should be sped up.

³ Burnside, R., 2018 *Guide to the new Scottish budget process*
<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/10/Guide-to-the-new-Scottish-budget-process#Executive-Summary> Accessed: 15 November 2021

⁴ Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

- 4.10. As the Gender Equality Review reported “we need to strengthen the alignment of the legislative framework [in Wales] to enable public bodies to deliver on the vision [for gender equality].”⁵ The review was explicit about concerns that focus on well-being should not supersede emphasis on equality – they should mutually reinforce. It was also noted in the review that “lessons must be learnt to ensure that new duties, such as the socio-economic duty, are developed and implemented with alignment of existing duties in mind. The forthcoming review of Welsh Specific Equality Duty provides opportunity to align overarching goals and objectives and must consider how to push public bodies beyond process focused compliance to meaningful action and ambitious objectives.”⁶ As far as we are aware, the review of WSED has not been completed, but we hope that it will be forthcoming so that the ambitions of the Gender Equality Review in this regard can be fulfilled.
- 4.11. We remain concerned that many of the points above have been raised repeatedly in recent years with little change taking effect.

5. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

Welsh Government policies to reduce poverty and gender inequality

- 5.1. As we have highlighted previously, the lack of clear commitments in the Programme for Government and any comprehensive strategy to tackle poverty makes it challenging to see how resources should be targeted. We know that the pandemic has exposed longstanding inequalities and in some cases entrenched them. The lack of a strategy to tackle poverty makes it harder to both direct resources and evaluate the effectiveness of such interventions.
- 5.2. Although we welcome ongoing commitments from Welsh Ministers on tackling gender inequality, these pledges must now filter through into clear deliverable policies and resource allocations. Key among these is the full implementation of the Gender Equality Review as set out in *Deeds not Words* which will provide Ministers with the tools and framework to support broader goals of achieving a more equal Wales. This should be seen as part of an integrated approach to tackling inequality, for example in line with implementing the Race Equality Action Plan and the Disability Task force
- 5.3. We know that the lack of affordable, accessible and flexible childcare continues to prevent women entering and progressing in the workplace. Although Wales’ current Childcare Offer is the most generous in the United Kingdom, we feel that the Welsh Government can and should go further with a clear long-term aim to provide free, good

⁵ Chwarae Teg, 2019 *Deeds not Words: Review of Gender Equality in Wales (Phase Two)*

⁶ *ibid*

quality full-time childcare for all children aged 0-4. We appreciate the opportunity to take part in the Equality and Social Justice Committee's inquiry into childcare where we set out, in our written evidence⁷, the steps the Welsh Government could take to further improve Wales' Childcare Offer.

How evidence is driving Welsh Government priority setting and budget allocations.

- 5.4. Although we were pleased to see multiple references to the gender budgeting pilot in the 2021-22 draft budget, it is not clear how well the process of gender budgeting has actually impacted on the spending decisions of Welsh Ministers.
- 5.5. We are also unsure about the extent to which equalities has been considered in the round when making decisions about resource allocations. As highlighted earlier, the SIIA for 2021-22 does not provide a comprehensive rationale for why resources are allocated in the way they are. Full mainstreaming of equalities into Welsh Government decisions would provide a framework to make evidence-based decisions that tackle structural inequalities.
- 5.6. We welcome the intention to create an Equalities Data/ evidence unit but are unclear when and how this will be established and what its role will be in contributing to the budget setting process.

What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

- 5.7. The continued lack of clarity from the UK Government over the Shared Prosperity Fund and replacement of EU funds presents a challenge for organisations such as ours. Whilst we appreciate the pressures that the Welsh Government's budget continues to be under, in lieu of clarity from the UK Government, it would be helpful if the Welsh Government could find resource to fill some of the fiscal gaps caused by leaving the EU.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

- 5.8. Recovery from the pandemic presents the Welsh Government with the opportunity to support moves to a green, caring and equitable economy. Investments in as part of 'building back better' must be informed by a clear vision of what the economy should look like in order to secure an equitable recovery for all. In particular, we would welcome increased investment in the following areas:
 - 5.8.1. **Care** is a green sector which is vital to our wellbeing. We know that investment is needed in this sector and any additional resources would support an equitable recovery.

⁷ Chwarae Teg, 2021 *Childcare and parental employment: the pandemic and beyond*
<https://business.senedd.wales/documents/s119466/Chwarae%20Teg%20paper.pdf>

5.8.2. Although the recent investment in **childcare** is welcome, we believe that the Welsh Government should have the long-term aim to provide free, universal childcare provision. Childcare is the most important tool in creating a more gender equal Wales.

5.8.3. **Training and employment** interventions should be focussed on green sectors to ensure that jobs of the future are open to all.

For more information please contact:

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Who are we?

Our vision is for a fairer Wales where all women can achieve and prosper. Our mission is to inspire, lead and deliver gender equality in Wales.

Chwarae Teg is committed to a Wales where all women are represented, empowered and able to prosper at all levels in the economy and public life regardless of their background or social status.

Chwarae Teg is registered charity. Charity number: 1084466 – FAIRPLAY (Workforce) Ltd.





25 November 2021.

Welsh Government Draft Budget 2022-23 Consultation- Cwlwm response

Dear Sir/Madam,

Introduction

1. Cwlwm' is made up of five organisations with Mudiad Meithrin as the lead organisation. 'Cwlwm' organisations are Early Years Wales, Clybiau Plant Cymru Kids' Clubs, Mudiad Meithrin, National Day Nurseries Association (NDNA Cymru) and PACEY Cymru.
2. Aim: 'Cwlwm' will support the Welsh Government to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.
3. 'Cwlwm' brings together the five leading childcare organisations in Wales to deliver a bilingual integrated service that will ensure the best possible outcomes for children and families across Wales.
4. As the consortium representing the childcare and play sector in Wales, we ask that the Welsh Government budget for 2022-23 supports the sector by;

Providing additional funding to help support and strengthen;

- a) the delivery of childcare and play services particularly to ensure children's emotional, physical and learning needs
- b) the recovery of the childcare sector from the impacts of the pandemic and to support the delivery of Programme for Government commitments across the childcare and play sector

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

5. Cwlwm receives Welsh Government funding through the Childcare, Play and Early Years Division of Welsh Government. 'Cwlwm' enjoys a collaborative, open relationship based on trust with Welsh Government ensuring that strategic objectives are met in order to ensure that families across Wales can access affordable, quality childcare in their own community and in the language of their choice. We support the childcare and play sector to develop innovative solutions to create flexible childcare and play opportunities to meet the needs of children and their families.
6. The Welsh Government 2021-22 budget, including additional funding made available, recognised the ongoing need to support the needs of children and the childcare and play sector in relation to COVID-19 impact and recovery. Additional financial support to childcare and play providers through Cwlwm, Local Authorities and other key partners was provided as they continued to respond to the challenges in childcare and play sector.
7. Whilst we have appreciated and been able to deliver additional targets as a result of in-year additional funding, an alternative funding model would mean better advance planning that has benefits to the sector and Welsh Government.
8. The additional funding has enabled Cwlwm partners to implement support model changes and enhancements. It has however been significantly more difficult to plan and deliver activity within tight timescales especially in relation to additional funding made available. This leads to a reactive rather than proactive approach.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

9. The challenges facing the childcare and play sector are not easily resolved and require a long term funding commitment and proactive rather than reactive approach. A longer term commitment and higher level of funding would deliver a more sustainable model which would make it easier to plan ahead, to recruit and retain staff and invest in staff.



10. The availability of high-quality childcare and early education in Wales is absolutely crucial both for working families and children's outcomes. This pandemic has shown just how crucial early learning and childcare is to the national infrastructure. Therefore, we welcome that childcare remains a priority in the co-operation agreement between Welsh Government and Plaid Cymru, however funding rates for childcare providers need to keep pace with increasing costs, including the national minimum and living wages as well. Any political promises to increase offers to parents must be fully costed to be deliverable.
11. The pandemic has exacerbated recruitment and retention issues within the sector, therefore we would ask that this is also considered as a priority area for support. During a recent survey carried out in conjunction with the Education Policy Institute with providers 74% of respondents had tried to recruit and 96% of those recruiting had tried to recruit at Level 3. 21% said they found it difficult and 73% said very difficult to recruit to Level 3. A smaller proportion tried to recruit at Level 2 – 76% of those who had tried to recruit. Of these, 29% found it difficult and 44% found it very difficult.
12. The childcare and play sector is integral to the foundational economy and that a functioning, indeed a progressive childcare system, is necessary in order to deliver important public goods (children's development, parental employability, closing the gender pay gap, delivering on 'Cymraeg 2050' to name but a few policy objectives). We believe that we have continually delivered positive returns on the investments from Welsh Government into the partnership.

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

13. Like all sectors, we are facing increasing costs as a result of inflation and associated operating costs. These are also confining our budgets and leading to challenging budgetary considerations. Excluding the additional in-year funding that has been received in recent years, the main Cwlwm funding has been on a standstill budget since Cwlwm came into existence in 2014. Looking at budgets and considering work plans for the next three years Cwlwm partners know that a long-term commitment to an additional £811,000 funding across all partners per year (the average in-year total received over the past 4 years) would make a significant difference to capacity and forward planning.
14. As stated the challenges facing the childcare and play sector are not easily resolved and require a long term funding commitment and proactive rather than reactive approach. A longer term commitment to funding would deliver a more sustainable model which would make it easier to plan ahead, to recruit and retain staff and invest in staff.
15. The childcare and play sector is integral to the foundational economy and that a functioning, indeed a progressive childcare system, is necessary in order to deliver important public goods (children's development, parental employability, closing the gender pay gap, delivering on 'Cymraeg 2050' to name but a few policy objectives). We believe that we have continually delivered positive returns on the investments from Welsh Government into the partnership.
16. Cwlwm partners have started financial planning for 2022 - 23. An early indication of any uplift in funding available for 2022-23 would enable robust business planning in order to support the sector.

Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

17. During the ongoing period of the pandemic and given the uncertainties of budgeting at a national level, it might be appropriate to scrutinise the application of consequential (linked to funding through the Barnett formula) received after the main annual budget motion has been completed and how this is disseminated and utilised.



Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

18. Cwlwm do not have any comments to make

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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

19. Promoting and supporting registered childcare and play provision

20. Support to ensure that existing childcare provision (all Provider types and for all ages of children, including parity for School aged Childcare) is encouraged and supported to achieve registration with CIW (benefits of registration can be found [here](#)).
21. Ensure the [Exceptions Order](#) is reviewed and supports the sustainability of regulated childcare. Ensure a holistic approach is taken to existing and future schemes to support children's rights, wellbeing, the childcare sector and the economy. Accessibility and cost of care during the school holidays in particular can be a challenge for working mothers.
22. Other initiatives and programs used as unregulated childcare such as SHEP, Playworks Holiday Programme, can impact on the short-term viability and long-term sustainability of existing Care Inspectorate Wales (CIW) registered settings, particularly those offering holiday childcare, unless services collaborate when planning, and unless registered childcare is considered at a strategic level.
23. Given the ongoing decline in childminders in Wales ensure a commitment to;
 - Addressing the needs of the sector
 - Ensuring access to quality, universal pre-registration training and support across Wales
 - Breaking down the barriers and challenges in relation to registration and retention of childminders in Wales
- 24. Commit to increasing opportunities for universal access to funded provision across Wales**
25. Quality, affordable childcare enables parents/carers to access employment/training opportunities, lifting families out of poverty and breaking the often-generational link of poverty, educational attainment and career opportunities.
26. There is positive data around the impact of access to high quality childcare in mitigating attainment gaps at school entry (and the importance of equity in this access). If existing funded childcare opportunities (e.g. the Childcare Offer) were extended to children from low-income/non-working families, this could help to support school readiness and development opportunities
27. Access to quality play experiences, such as those offered by childcare providers for school age children, is also linked to social, cognitive, emotional and physical development. Thus, exploration of additional affordability schemes to support equitable access to school age childcare would also benefit children.
28. Efforts to widen access to these early years and school age childcare opportunities (including widening the regulated provider types that can offer these opportunities e.g. childminders) and to support affordability for parents/carers will be a positive investment and reduce reliance on costly and less effective school intervention programmes.

29. Support Welsh language in the childcare and play sector through a commitment to;



- Establishing, registering and sustaining Welsh medium childcare including an extension of existing early years Welsh medium provision to include childcare for school age children.
- Targeting of people with Welsh Language competency into the childcare and Playwork sector and continued support to the childcare sector to upskill staff in Welsh Language to enable more Providers to meet the Active Offer.
- Continued funding for Mudiad Meithrin's Cynllyn SAS (Sefydlu a Symud / Set Up and Succeed) to ensure new provision continues to meet demand and is sustainable

– To what extent alleviating climate change should be prioritised in supporting economic recovery. – How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

– Welsh Government policies to reduce poverty and gender inequality. – Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early). – Sustainability of public services, innovation and service transformation.

– How evidence is driving Welsh Government priority setting and budget allocations. – How the Welsh Government should use taxation powers and borrowing.

– What specific support is needed in the budget for businesses. economic growth and agriculture, related to post EU transition.

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

30. Cwlwm are encouraged that continued investment into childcare and playwork in Wales contributes strongly to the UNCRC and parental choice for their childrens' care. And that substantial evidence notes that a positive start in life (prevention) is more cost effective than catch-up and rebuilding programmes. Through our Cwlwm collaboration and our collaboration with WG we are demonstrating that a partnership approach and involvement of the sector, representing the views of our members, is contributing to informing policy across Wales is making a positive contribution to well-being in line with the Future Generation Act priorities.

Yours sincerely,
Cwlwm

Dr Gwenllian Lansdown Davies, Chief Executive, Mudiad Meithrin
Jane O'Toole, Chief Executive, Clybiau Plant Cymru Kids' Clubs
David Goodger, Chief Executive, Early Years Wales
Claire Protheroe, National Manager for Wales, PACEY Cymru
Sarah Coates, Policy and Strategic Partnerships Manager (Wales), NDNA Cymru

 <p>Clybiau Plant Cymru</p> <p>KIDS' CLUBS</p> <p>www.clybiauplantcymru.org</p>	 <p>mudiad meithrin</p> <p>arbenigwyr y blynyddoedd cynnar Welsh early years specialists</p> <p>https://www.meithrin.cymru/</p>	 <p>NDNA*</p> <p>National Day Nurseries Association</p> <p>*Brighter thinking for early years</p> <p>https://www.ndna.org.uk/</p>
 <p>pacey CYMRU</p> <p>https://www.pacey.org.uk/</p>	 <p>cwlwm</p> <p>https://www.cwlwm.org.uk/</p>	 <p>Early Years Wales Blynyddoedd Cynnar Cymru</p> <p>https://earlyyears.wales/</p>



Wales Women's Budget Group response to Finance Committee Call for Information: Welsh Government Budget proposals for 2022-23

November 2021

Introduction

The Wales Women's Budget Group (WWBG) is pleased to submit a response to this consultation. Currently incubated by Chwarae Teg, the Wales Women's Budget Group brings together leading economic thinkers, academics, policy-makers and women's networks. We work with civil society and government in pursuit of a more prosperous and equal Wales by ensuring that the impact of taxation and spending in Wales is fair and gender equal.

The budget and budgetary processes are one of the most important vehicles in delivering equality in Welsh society. We know that Covid-19 has exacerbated existing inequalities, with the economic effects of the pandemic falling particularly heavily on women, and in particular, young women, women with children, those from Black, Asian and Minority Ethnic backgrounds, single parent households and women supporting elderly relatives. The gender pay gap in Wales is increasing; in 2021 it is 12.3 %, an increase of 0.7% from 2020's figure of 11.6%¹ Progress towards closing the gender pay gap is not guaranteed, and we must therefore continue to prioritise action to address the root causes of pay inequality.

We welcome the fact that the Welsh Government, in its Programme for Government [footnote] set out its commitment to embed gender budgeting as part of the budgeting processes, as part of a pledge to 'eliminate inequality in all of its forms'.

However we are concerned that, despite having accepted all the recommendations made in the Gender Equality Review report, *Deeds not Words*² little progress has since been made to implement these recommendations. Although we understand that the pandemic has affected the capacity within government to drive change, this must now be prioritised urgently. The Review outlines how to an equalities mainstreaming approach at all levels of government to ensure that intersectional equalities analysis informs decision-making. The recommendations outlined in the GER can therefore be a key part of WG's action to deliver against equalities objectives set out in all equality action plans.

¹ Office for National Statistics (October 2021) Annual Survey of Hours and Earnings (ASHE) 2021

² Chwarae Teg (2019) Deeds not Words, Review of Gender Equality in Wales (phase 2)

<https://chwaraeteg.com/wp-content/uploads/2019/09/Deeds-Not-Word-full-report.pdf>

Key messages & recommendations

Covid-19 response and recovery

This new Senedd term is an opportunity to revitalise our economic policy, to refocus on equality and well-being, and place care at the heart of economic development in Wales, recognising the strategic, national importance of this sector which is central to our wellbeing as a society. Wales needs a caring-focused recovery from the pandemic to address the underlying driving factors behind the inequalities and poverty that have come to the fore so sharply over the past eighteen months.

Budgetary processes

In the face of growing inequality in Wales it is imperative that the government implements the recommendations of the Gender Equality Review as a priority. Specifically, a strengthened IIA tool should be developed to bring greater consistency to impact assessment across Welsh Government; a full IIA should be mandatory requirement for all submissions to Treasury; training should be developed and rolled out to officials within Treasury and in financial roles across Welsh Government departments to build equalities competence; the review of BAGE should ensure clarity of purpose for the group, and better engagement with relevant departments. We also await an update on the planned Equalities Evidence Unit and how it will ensure that policy decisions are linked to robust evidence for need.

We would encourage the Welsh Government to consider adopting a budget scrutiny process and timeline such as that adopted by the Scottish Government which allows more time for responses from civil society, and in which committees can incorporate budget scrutiny and public engagement into their work several months before the publication of spending proposals.

Equalities budgeting

Equalities budgeting should be mainstreamed into all budgetary processes. A Welsh approach to equalities budgeting should continue to be developed, in partnership with experts and within the context of a wider equalities mainstreaming strategy within government. This will need to align with the continuing work to build the policy profession and embed the WFG Act.

We urgently await the evaluation of the gender budgeting pilot into Personal Learning Accounts. In particular we would like to know whether the pilot informed spending decisions to date and whether policies been adjusted or reviewed as a result of equalities analysis. We also await details of plans for a second pilot and are keen to know what the aims are for this, what tools are being used as part of the pilot, what the timescales are and how it will be evaluated.

As the Wales Women's Budget Group rolls out a Gender Budgeting training programme we are keen to engage with WG at all levels to ensure that all officials and Ministers understand these tools and how to use them to make better budgetary decisions that enable support equitable outcomes.

Detailed responses

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

- 1.1 Women already face a greater risk of poverty than men, due to the fact that they face considerable barriers to work: they are more likely to be in receipt of benefits, to work part-time or fewer hours, and experience poorer working conditions. This inequality has been exacerbated by Covid-19, with women more likely to have been working in furloughed or insecure sectors, or having had to reduce working hours or leave work due to caring responsibilities. Ongoing monitoring of Welsh Government funding related to Covid-19 should include consideration of equality impacts. Evaluation should identify who has benefitted most, whether support reached those known to be at greatest risk of hardship and whether support inadvertently reinforced inequality. It is difficult to make a judgement on how CV-19 funding impacted women as there is limited data. We need a full evaluation of the funding with an equalities lens to determine whether lessons can be learnt for the future
- 1.2 A lack of affordable and flexible childcare remains one of the greatest barriers to women achieving their economic potential. This was an even greater barrier during the pandemic: a report by Chwarae Teg showed that responsibility for childcare and homeschooling during the pandemic fell predominantly to women, impacting on their ability to work and on their health and wellbeing³.
- 1.3 A shortage of available childcare is also an issue in Wales, with the 2021 Childcare survey from the Family & Childcare Trust⁴ showing that there are significant shortages for parents working atypical hours and with only around half of local authorities in Wales having enough childcare for free early education entitlements. Welsh Government has made financial support available to the childcare sector, which is very welcome. However, the pandemic demonstrated how precarious how childcare system is, being overly reliant on women's unpaid care. As we emerge from the pandemic, consideration must be given to how subsidised childcare can be made available to a much wider group of people.

³ Chwarae Teg (2021) One Big Juggling Act – Childcare and Homeschooling during the First Lockdown
https://chwaraeteg.com/wp-content/uploads/2021/06/One-Big-Juggling-Act-Childcare-and-Homeschooling-During-the-First-Lockdown_summary-report-1.pdf

⁴ Coram Family & Childcare Trust (2021) Childcare survey 2021
https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202021_Coram%20Family%20and%20Childcare.pdf

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

2.1 Covid-19 has highlighted how deep rooted inequality still is; therefore we must further focus activity and budget priorities on measures that will help to address the root causes of inequality. We propose this should be done in the following ways:

2.1.1 Prioritise care: The pandemic has shown that care is central to our wellbeing. Care must become a key sector in our national economic strategy and we need investment in social infrastructure, including childcare, social care, healthcare and education, to enable people to engage with the economy, while delivering fair work within these sectors. The UK Women's Budget Group Commission on a Gender Equal Economy projects that a care-led economy such as this would produce 2.7 times as many jobs as the equivalent investment in construction⁵.

2.1.2 Invest in childcare: The recovery plan must also seek to increase the number of women in work by identifying and tackling what stops women from fulfilling their potential. Looking after children and/or the home remains a primary reason for women being outside the labour market. Efforts to increase the number of women in work must therefore be coupled with effective childcare infrastructure and efforts to rebalance unpaid care within households. Plans should look to deliver an integrated Early Childhood Education and Care System, invest in childcare infrastructure and reform childcare provision to deliver, free, good quality full-time childcare for all children. Women make up a significant proportion of workers in sectors such as Health and Education. More funding for childcare will enable more women to work in, and have a positive impact on, these catch-up sectors.

2.1.3 Flexible/high-quality jobs for women. Women are more likely to experience low pay, insecure contracts, poor working conditions and pension poverty, and the recovery plan must improve the quality of women's work and incentivise employers to better support women through health events such as menopause. Jobs should enable women and men to share paid and unpaid work equally and make it easier for workers to combine paid work and caring responsibilities. Home-working plans need to allow for maximum flexibility, and a hybrid home/work model, rather than taking a 'one-size-fits-all' approach. A report by Chwarae Teg, *Agile & Inclusive Work: The New Normal*, sets out recommendations for new ways of structuring work in an inclusive and gender equal way⁶.

⁵ Commission on a Gender-Equal Economy (2020) "Creating a Caring Economy: A Call to Action" <https://wbg.org.uk/wpcontent/uploads/20>

⁶ Chwarae Teg (2021) 'Agile & Inclusive Work: The New Normal' <https://chwaraeteg.com/wp-content/uploads/2021/11/Agile-and-Inclusive-Working-Practices.pdf>

3. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

- 3.1 The planned review of the SIIA should embed best practices of Equalities Impact Assessment in every area of government, not just the Budgeting & Government Business department. The SIIA still does not clearly show how spending decisions tackle specific objectives and why those spending decisions have been chosen over others. It must link policy to spending and use an evidence-based approach to show clearly how equalities analysis and impact assessment influences the Welsh Government's spending decisions. We recommend that the same IIA template and approach should be used for both policy and budget, and officials should be upskilled to build equalities competence, including all those involved in budgetary processes. Policy statements should provide clarity on how Impact Assessments have been used to guide policy and spending decisions.
- 3.2 As recommended in the Gender Equality Review, *Deeds not Words*⁷, there should be a 'bottom up' approach to creating the SIIA, with a mandatory requirement for departments' submissions to the Treasury to have a full impact assessment attached.
- 3.3 As highlighted in the Gender Equality Review⁸, the Budgeting & Government Business department should play an important challenge function to ensure that impact assessments provided by colleagues, which inform the SIIA, are done to the appropriate standard, making full use of equalities evidence and demonstrating how budget plans will advance equality as well as highlighting any potential disproportionate impact and mitigating action to be taken.
- 3.4 The recommendations of the Gender Equality Review should be enacted to ensure gender mainstreaming through the budget process. We support the statement of the previous Finance Committee that "The Committee acknowledge the results of the Personal Learning Account gender budgeting pilot and its influence on this year's allocation. However, one pilot in two years is insufficient and the Committee can see little evidence of a wider gender budgeting approach emerging. The Committee reiterates its previous calls to develop a gender sensitive budgeting approach and to mainstream and embed equality considerations across the whole budget."⁹ It is essential that a second pilot is chosen with clear stated objectives, tools to be used, evaluation methods and timescales.
- 3.5 We support the Finance Committee's recommendation 31, that the Welsh Government sets out how it will undertake a more gender sensitive approach to its future budgets and demonstrates how spending and policy decisions are informed by the impact on

⁷ Ibid

⁸ Ibid.

⁹ Welsh Parliament Finance Committee (February 2021) Scrutiny of the Welsh Government's Draft Budget 2021-22 <https://senedd.wales/media/k5rha2zp/cr-ld14093-e.pdf>

gender and other groups, particularly given the evidence that the economic impact of the pandemic will disproportionately affect certain groups.¹⁰

3.6 We recommend that budgetary processes ensure the intervention of the Budget Advisory Group for Equalities is timed appropriately, not just at the end of the budgeting process. We are aware that the review of Group as set out in the Budget Improvement Plan is ongoing. It is vital that this review is expedited as a matter of urgency. We stress that post-review, the Group should retain its core focus on equalities and its work should inform both general budgetary principles and processes, and the budget itself. We await the outcome of these discussions.

3.7 We would like to see a strategic approach to rolling out gender budgeting training to officials and ministers in all parts of government in which budgetary activity is undertaken and recommend that Welsh Government works with third sector and other relevant actors to ensure the development of a Welsh-specific approach to gender budgeting. The aim of the new Wales Women's Budget Group will be to work with Welsh Government to develop both the skills and the tools needed within government for gathering and analysing data on gender equality, and for using this data to develop robust gender-budgeting processes. These tools will help us identify and overcome the unintended consequences of inequality and enable women to fulfil their potential.

3.8 We feel that the budget consultation process itself allows insufficient time for meaningful input from civil society, given that the time between the submission of responses and the publishing of the draft budget is a matter of three weeks or so. We understand that the Welsh Government's timeline is affected by the timing of budgetary decisions by UK Government. However, we draw attention to the system used by the Scottish Government in 2021, in which consultation with civil society began in August with both written and oral submissions to a number of committees, which allowed for detailed scrutiny by MSPs as well as time for public engagement. The Scottish Government has committed to a budgetary consultation process which takes 'Full year approach: a broader process in which committees have the flexibility to incorporate budget scrutiny including public engagement into their work prior to the publication of firm and detailed spending proposals.' Budgetary scrutiny in Scotland aims for a 'Continuous cycle: scrutiny should be continuous with an emphasis on developing an understanding of the impact of budgetary decisions over a number of years including budgetary trends.'¹¹

¹⁰ ibid

¹¹ Scottish Government (2021)

<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/10/Guide-to-the-new-Scottish-budget-process#What-has-been-agreed->

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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– Welsh Government policies to reduce poverty and gender inequality.

4.1 We welcome ongoing commitments from Ministers to prioritise tackling inequality, but we need to ensure that this commitment is reflected in delivery. We want to see the recommendations of the Gender Equality Review taken forward as a priority, and equalities mainstreaming facilitated in order to identify and tackle the structural causes of economic inequality.

4.2 A lack of affordable, accessible and flexible childcare continues to be a critical barrier to women entering and progressing in work. The aim should be to provide free, good quality full-time childcare for all children aged 0-4. More detailed recommendations for making this happen are outlined in Chwarae Teg's submission to the Equality and Social Justice Committee on Childcare and parental employment: the pandemic and beyond¹².

3.9 We welcome the plans for further gender budgeting pilots as set out in the Budget Improvement Plan¹³. More information is needed to clarify what gender budgeting tools are to be used in these pilots, what the timescales for the pilots are, what the aims of the pilots are and how success will be measured and evaluated. These are critical questions that need to be addressed if a gender budgeting pilot is to be successful and to facilitate engagement from external experts who can support development of a Welsh equalities budgeting approach.

5. What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)

5.1 One of the Wellbeing of Future Generations (Wales) Act's aims is to realise 'A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances.'¹⁴. We would like to see the government taking on board

¹² Welsh Government Equalities and Social Justice Committee evidence session on Childcare and Parental Employment, 15/11/21 <https://record.senedd.wales/Committee/12475#A68336>

¹³ Welsh Government (2020) Welsh Government Budget Improvement Plan <https://gov.wales/sites/default/files/publications/2020-12/2021-2022-budget-improvement-plan.pdf>

¹⁴ Future Generations Commissioner for Wales (2015) Wellbeing of Future Generations (Wales) Act 2015 <https://www.futuregenerations.wales/about-us/future-generations-act/#:~:text=The%20Well-being%20of%20Future%20Generations%20Act%20gives%20us,such%20as%20poverty%2C%20health%20inequalities%20and%20climate%20change.>

the recommendations of the Commission on a Gender Equal Economy in its final report, *Creating a Caring Economy: a call to action*, which outlines eight steps to create a caring economy, based on gender equality, wellbeing, and sustainability¹⁵. The eight steps prioritise care of one another and the environment, encompassing social care, childcare, healthcare and education. It envisions a properly resourced caring economy which would reduce the care burden on women, and allow them to fulfil their economic potential. Changes being made to ensure a greener Welsh economy are an opportunity to challenge traditional economic approaches, and instead focus on delivering a caring, green and equitable economy. The status quo cannot continue, we need to transform our economy, so this is an opportunity to ensure that the economy is one that works for everyone.

Conclusion

We know inequality is still a significant challenge, leaving women and others at greater risk in times of crisis as well as disadvantaging them day-to-day; it is important that both policy and spending decisions taken by Welsh Ministers are based on robust equalities analysis and focused on tackling the root causes of inequality. The annual budget is an important part of making sure that equality objectives can be achieved by ensuring that policy ambitions are backed up with adequate resources.

The foundation of the Wales Women's Budget Group, which brings together expertise from academia and third sector to work with government officials, offers an opportunity to develop a Welsh-specific government-wide programme of gender budgeting training, aimed at all levels of government where budgeting takes place. Training will ensure that gender budgeting tools are used in the best possible way to generate evidence for the unintentional impacts of gender blind budgetary decisions and to create solutions to tackle them. Strategic use of training alongside clear-intentioned and well-evidenced gender budgeting pilots will identify structural inequalities in our society and help to achieve the aim of a society 'that enables people to fulfil their potential no matter what their background or circumstances.'

We would be happy to provide further information in relation to any of the above. For further information please contact:

Rebecca Rickard, Coordinator, Wales Women's Budget Group

[REDACTED]

¹⁵ Ibid

NSPCC Cymru/Wales evidence to inform the Finance Committee scrutiny of the Draft Budget 2022-23

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

The pandemic and subsequent lockdowns intensified risks for children and young people. Both Childline and the NSPCC helpline saw an increase in contacts about mental ill health, physical abuse, domestic abuse and child sexual abuse (On average a 12% increase for the NSPCC Helpline compared to pre-lockdown levels). Meanwhile Childline delivered an average of 17,000 contacts a month across the UK, during the pandemic. While never an excuse for abuse, the stressors created during the lockdowns intensified already difficult and abusive situations and created 'newly vulnerable' groups of children. Services responding to children, including the specialist third sector, were already stretched before the pandemic, this has only been compounded.

Central to recovery from Covid-19 must be resourced support across Wales for children and young people living with poverty, mental ill health, violence and abuse and those children on the edge of care or care experienced. It is crucial as we continue our recovery from the pandemic that children and young people are at the centre of this recovery. Consideration and time must be given to hearing the voices of children most impacted during the pandemic and the professionals and organisations who support them to ensure the right services are resourced and accessible.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

The evidence is overwhelming that **children and young people’s mental health** has been negatively impacted by the lockdowns, with contacts to Childline about mental health increasing by 37% during the height of the pandemic. The mental health needs of children and young people were already a concern for NSPCC Cymru/Wales prior to lockdown, with one in eight children living with a diagnosable mental health need¹.

Children and young people living with poor mental health need both immediate responses and long-term recovery support. We need to ensure children and young people’s needs are recognised and addressed sooner. Schools, as an almost universal access point for children and young people, offer an ideal setting for early mental health support. We therefore welcomed Welsh Government’s increased mental health funding for schools and their recognition of the increased impact of Covid on mental health. However, consideration should be given to how best to meet the mental health needs of younger children through alternative therapies to counselling (which is not always appropriate for young children).

Access to statutory support for children and young people, particularly CAMHS remains a concern, this is particularly acute for care experienced children who are both more likely to need support because of their past experiences and whose access to the service can be disrupted by moves due to placement failings. Given this cohort of children can have poor outcomes compared to children without experience of care, effort is needed to ensure better outcomes. Mental health needs, stability of placement and support when leaving the care system all require improvements to better serve the needs of care experienced children. It is vital that children’s social services, health visiting and infant

mental health services are fully resourced, both social work capacity and specialist services, to ensure children and young people at risk of or who have experienced abuse and neglect receive the support and protection to which they have a right. The pressure felt by the statutory sector is only compounded by the year-on-year increase in the number of children entering care in Wales². We note attempts to safely reduce these numbers by Welsh Government but are clear that additional investment will be needed to support families to do this safely.

The health and social care levy due in April 2022 provides an opportunity to address some of these shortfalls. We call on Welsh Government to ensure there is parity of funding between children and adult social care, in particular;

- Reducing the number of babies entering care should be a key policy priority, with a dedicated focus on pre-birth support for parents and the development of specialist services which supports both the parent-infant relationship and infant mental health.
- A greater investment in specialist perinatal mental health services, so there is a high-quality service in each health board area. Particular focus should be on resourcing the role of Specialist Perinatal Community Social Workers, who can link between perinatal mental health, maternity services and social care, to better support vulnerable families.
- Ensure CAMHs are better resourced so all children and young people can access support when needed and children have access to long-term recovery after initial interventions.
- Ensure care experienced children receive the consistent mental health assessments and support they need.
- Extend the statutory requirement for school-based therapy settings to encompass all children.

– Welsh Government policies to reduce poverty and gender inequality.

Poverty

Whilst the economic impact of the pandemic has hit people across Welsh society, it is the poorest households, and especially those with children, who have been hardest hit. The Bevan Foundation's 'Snapshot of poverty in Winter 2020'³ showed nearly a quarter of Welsh households have seen their income fall. This will only have been compounded by the removal of the £20 uplift to Universal Credit. Research shows that poverty can have a similar impact on children as Adverse Childhood Experiences, such as parental substance misuse or child abuse⁴ and socio-economic disadvantage has an impact across a range of health indicators and educational attainment.

Poverty is a child rights issue, and it contravenes a number of articles within the UNCRC, such as a child's right to a standard of living and healthy and nutritious food⁵. In our manifesto, NSPCC Cymru called for an enhanced Flying Start service for all parents of 0–4-year-olds across Wales and training for practitioners on the impact of poverty on families and how to support them in a non-stigmatising way.

Gender Inequality

VAWDASV is a cause and consequence of gender inequality which directly impacts children and young people. A holistic response to children who experience violence and abuse is essential. We must see universal prevention and early intervention, crisis support and therapeutic recovery available across Wales. The pandemic spotlighted the epidemic of abuse in the home; risk increased for some children as incidents of violence and abuse became more frequent and severe, while other children became

newly vulnerable to abuse in the home. The NSPCC Helpline and Childline saw both an increase in contacts from adults concerned about children at risk of domestic abuse/from a child⁶ living with domestic abuse and a 15% increase in referrals to outside agencies in 2020/21 about child sexual abuse. We have also seen a rise in complexity and risk which other providers have also identified. We cannot underestimate the impact of the past 18 months on this cohort of children; it will likely manifest in the months and years to come. This is why we ask that services be fully resourced to meet this demand.

NSPCC Cymru/ Wales has previously highlighted our concern about the lack of provision for children impacted by VAWDASV. In a roundtable with children and young people workers, the key concerns and recommendations were the need for sustainable funding of services and a prioritisation of specialist services for child victims from regional boards. The roundtable, jointly hosted by Welsh Women's Aid found 77% of children impacted by VAWDASV received no specialist support.

A public health approach to **child sexual abuse** places the responsibility for tackling it with everybody. We need policies and procedures which both disrupt potential perpetrators and enable disclosure from children and young people in all the places children access. Also crucial are readily available, integrated, child centred, specialist sexual abuse services. Currently, children who experience sexual abuse do not always receive the support they need in a timely manner. The Lighthouse in London is an example of an innovative approach to supporting children to recover after abuse. The Child House model is child-centred, interdisciplinary and brings together a multi-agency response to provide a safe-place for children and young people to recover.

Finally, the contextual safeguarding⁷ model provides an evidence based method of supporting young people who experience extra-familial harm. Young people need a model of support which considers the spaces and peers they interact with and the collective role of the whole community in keeping young people safe. Too often safeguarding focuses on the individual child and the family and what the parents/carers can or should do to safeguard a young person, but preventative approaches should also consider the contextual and community factors, outside of the family setting, which could put a young person at risk.

NSPCC Cymru calls for;

- The shortfall in specialist service provision for children and the need for sustainable funding to be addressed
- An element of funding for specialist support to be ringfenced for prevention and early intervention work
- The roll-out of the Child House model in Wales. This should bring together funding streams from national and local stakeholders so that children can receive the support they need.
- A multi-agency and localised contextual safeguarding approach to address the risks to young people experiencing extra-familial sexual abuse, which includes funded training of key professionals.

Resources to reduce gender inequality must take an intersectional approach; all minoritised children and young people must be able to access 'by and for' black and minoritised support services. However, *all* VAWDASV services, who are not specialist 'by and for' services, should be resourced to undertake training which equip them to understand the nuances of so-called 'honour-based' abuse including FGM and forced marriage.

– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

A preventative approach to spending would be felt across all the sectors who work with children. While Welsh Government has been clear that prevention and early intervention is essential, we are not seeing the reality of this commitment on the ground. As mentioned in this response, we continue to see a year-on-year increase in children entering care, too long waiting times for CAMHs and specialist sexual violence services and a postcode lottery of access to domestic abuse support. It can be assumed that children, young people and their families did not have access to enough or the right early support to prevent these issues escalating.

Welsh Government has stated its ambition to make Wales the safest place in Europe to be a woman and to end violence against women and girls. The pandemic brought into focus the child rights violation of violence and abuse in the home; now is the time to invest in early intervention and prevention work to stop more children and young people living in unsafe homes and match Welsh Government ambition with the reality on the ground.

Welsh Women's Aid latest State of the Sector report notes; 'A sustainable funding model for specialist services would see a portion of budgets from across relevant agencies aligning to meet preventative duties and work towards ending VAWDASV in Wales. Over time, resources needed to respond to the long-term negative effects of VAWDASV would be drastically reduced.'⁸

A commitment to early intervention and prevention must include a programme of training for all professionals who come into contact with children and young people, which supports professionals to recognise warning signs of abuse, neglect or mental health needs. Training of public sector workers who engage with children and young people must be a priority. Training should ensure the rights of the child and the child's voice is paramount.

We need to see a commitment to preventative spending across Welsh Government departments, to disrupt harm in children's lives before it escalates. This must include working with individuals, families, communities, and organisations across the population.

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

NSPCC Cymru feels much of our asks within this response would support Welsh Government in 'building back better' and aligning with the well-being goals of the Act. In particular the goals focused on a prosperous, resilient, healthier and more equal Wales. As we have demonstrated children and young people who are living in poverty, have mental health needs or are subject to violence and abuse need immediate crisis support and long-term recovery. We also need to ensure universal preventative support and early intervention is provided going forward to stop more children reaching crisis point.



Welsh Parliament Finance Committee - A call for information – Welsh Government Draft Budget proposals for 2022-23

Social Enterprise Stakeholder Group response, November 2021

About us

The Social Enterprise Stakeholder Group believes that the social enterprise sector in Wales can play a key role in helping to rebuild a fairer, more inclusive, and sustainable economy. Our members include: [Development Trusts Association Wales](#), [Social Firms Wales](#), [UnLtd](#), [Wales Co-operative Centre](#) and [WCVA](#). More information on the purpose of our group and our work to date can be found on our [webpage](#).

Our response highlights:

- The important role of Welsh Government support for the sector through the Covid pandemic. This includes funding through the Economic Resilience Fund and funding for specialist business support.
- Welsh Government should place social enterprise at the heart of plans to rebuild and recover following the Covid pandemic as these are organisations that deliver people-centred local economic development that responds to community need and where participation and empowerment are integral.
- Welsh Government needs to consider how it works with and supports the third sector in Wales as it responds to the loss of European funding.
- The social enterprise sector faces long term challenges as a result of covid with our mapping data suggesting a greater adverse impact on the sector than on the economy as a whole. We would welcome Welsh Government prioritising support to help the sector recover. For the sector to realise it's potential and help deliver Programme for Government commitments in a manner that maximises social and environmental value, it needs continued support from Welsh Government including specialist business support.
- Tackling climate change should be prioritised as part of the economic recovery. The UN calls Climate Change the crisis of our time. Social enterprise should be the business model of choice for those wishing to work in this field.
- Policies to reduce poverty and gender inequality should consider the role the social enterprise sector can play and how they can be supported. The most recent mapping of the sector in Wales demonstrated the key role it plays in reducing poverty.
- Welsh Government should consider specialist advice and support for social enterprises as part of its approach to post EU transition. Social enterprises require specialist business advice services to meet their unique needs.

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Financial support provided by Welsh Government through the Economic Resilience Fund and the Third Sector Resilience Fund has been crucial in supporting social enterprises to stay open and continue their important work. The Economic Resilience Funding has supported 72 social enterprises or charities to a value of nearly £1.5million to date, which has been an essential lifeline for these businesses.

Welsh Government funding for specialist business support has also been key in helping social enterprises navigate the pandemic. This is reflected in the support delivered by two of the Social Enterprise Stakeholder Group group, the Social Business Wales programme delivered by the Wales Co-operative Centre, and Social Firms Wales. With EU and Welsh Government funding, the Social Business Wales programme delivered over 8500 hours of business support and over 100 new social businesses were incorporated during the year 2020-21, and this work has continued in 2021-22. The recent mapping of the sector in Wales also reflects this. The mapping saw a substantial increase in start-up activity since the last mapping exercise, with 17 per cent of all businesses surveyed in 2020 having started trading within the last two years (11 per cent in 2018 and eight per cent in 2016). Of new businesses that had been trading for less than a year, 46% had received support from the Social Business Wales New Start project.

Social Firms Wales provides specialist support to social enterprises. Since the beginning of the pandemic Social Firms Wales provided 1,800 hours of support with Welsh Government funding, supporting 38 new start, survival, and growth enterprises. All of these organisations have been established to support people who are easily excluded from society and those that face significant challenges and barriers to gaining and retaining employment. This includes people with disabilities, prison leavers, people that have experienced homelessness, managing substance mis-use or mental health challenges, minorities groups, and ex-service veterans.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Covid-19 has caused seismic societal and economic shocks in Wales that worsened pre-existing inequalities and challenges. As we begin to think about building back from the pandemic and addressing Wales' pre-existing long-term challenges there is an opportunity to reconsider the Wales we want to see in the medium and long term. It is our chance to be bold and ambitious in re-imagining the economy and society we want to live in. Welsh Government should place social enterprise at the heart of plans to build back, recover and thrive. Social enterprises in Wales are ready to challenge the economic models of the past and rebuild a fairer, more inclusive and sustainable economy. The sector is at the forefront

of delivering a just and green transition and have pioneered solutions to tackling the climate emergency. Social enterprises can deliver people-centred local economic development that responds to community need and where participation and empowerment are integral. But to fully deliver these things, social enterprises in Wales need specialist business support to rebuild and grow.

Many of the impacts of Covid-19 will also be long-term and persistent. For example, the 2020 Social Business Mapping Exercise showed that many social enterprises in Wales have significantly depleted their reserves through the past 18 months, leaving them in a less resilient position for future challenges. In addition, many social enterprises have had to reprioritise their activities and haven't been able to think long-term for future projects or funding opportunities. Supporting the social enterprise sector to rebuild its resilience and manage the long-term impact of the past 18 months is therefore crucial.

This also needs to be placed within the context of the end of European funding, and its impacts on the ability of the third sector in Wales to continue to meet the needs of our diverse communities. While many of the financial levers reside with UK Government in terms of a future Shared Prosperity fund, there is a significant role for Welsh Government to play in working with the sector. Many third sector organisations in Wales deliver large scale projects to individuals and communities across the country with the support of ESF or ERDF funding. These programmes meet essential needs for many and address some of our most difficult issues as a nation including structural inequalities. Much of the funding is currently due to end between now and 2023, with the inevitable loss of capacity and expertise from our sector during that period. There has been significant demand for our services during the pandemic, due to the unequal impact of Covid on different groups, individuals, and sectors. Now, at the very time when it is most important to get individuals, communities and businesses back on their feet to support our social and economic recovery, we are deeply concerned that this is the time funding is starting to contract.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The social enterprise sector faces long term challenges as a result of covid with our mapping data suggesting a greater adverse impact on the sector than on the economy as a whole. Our mapping survey found that forty-five per cent of social enterprises perceived COVID-19 to be a large or critical threat to their financial viability over the next 12 months demonstrating the ongoing risk. Specialist business support will be critical in helping the sector confront these challenges going forward.

The new Welsh Programme for Government includes commitments which the social enterprise sector can play a key role in implementing while also delivering additional social and environmental value. These commitments include:

- Support 80 re-use and repair hubs in town centres;
- Develop more than 50 local community hubs to co-locate front-line health and social care and other services.
- Improve the interface between continuing health care and Direct Payments.
- Build on our approach to the Foundational Economy and develop a Backing Local Firms Fund to support local businesses.
- Provide greater support for worker buyouts and seek to double the number of employee-owned businesses.
- Help businesses to work co-operatively to support local supply chains, including local delivery and logistics services.
- Support innovative new social enterprise schemes such as bike maintenance repair cafes and bike recycling schemes.
- Develop community recycling facilities in town centres and promote repair and re-use facilities to encourage zero-waste shopping
- Develop new remote working hubs in communities.
- Empower communities to have a greater stake in local regeneration
- Deliver the Young Persons Guarantee
- Deliver a 30% target for working remotely
- Implement and fund the commitments made in the Race Equality Action Plan
- Explore legislation to address pay gaps based on gender, sexual orientation, ethnicity, disability and other forms of discrimination
- Implement targets around Gender Budgeting

For the sector to realise its potential and help deliver Programme for Government commitments in a manner that maximises social and environmental value, it needs continued support from Welsh Government including specialist business support.

To what extent alleviating climate change should be prioritised in supporting economic recovery.

Tackling climate change should be prioritised as part of the economic recovery. The UN calls Climate Change the crisis of our time. Wales declared a climate emergency in 2019. It is vital that combatting climate change is at the forefront of our plans for economic recovery. There is a real opportunity at this time of profound health, social, economic and political turmoil, to develop new and radical solutions and profound changes that rebuilds our economy and society in a way that works for people and planet. Social enterprise should be the business model of choice for those wishing to work in this field.

Social enterprises value the environment just as much as people and profit and can lead the way in tackling climate change. Our sector can show what can be achieved when we put people and planet ahead of profit. Social enterprise should be promoted as the business model of choice for organisations working and wanting to work in this area.

Many social enterprises operate in sectors such as renewable energy, zero waste, food, biodiversity and land management. Some have environmental objectives and improving the local area at the heart of their social aims. It is also worth noting that many social enterprises

have embedded circular economy principles within these environmental objectives. They are ideally placed to play a key role in helping with training and skills development in local communities as part of a just green transition.

There is also an opportunity to build more resilient communities and local economies, through scaling up social enterprises and community and locally owned businesses and assets, and creating sustainable quality jobs to be at the heart of the green recovery.

Welsh Government policies to reduce poverty and gender inequality.

Policies to reduce poverty and gender inequality should consider the role the social enterprise sector can play and how they can be supported. Social enterprises play a key role in tackling poverty, for many this is their social mission. Our mapping survey demonstrated that social enterprises are particularly concentrated in some of the poorer South Wales Valleys and are more likely to operate in areas of deprivation. Social enterprises are good employers, with the vast majority offering the Living Wage to all their staff and employing people who are further away from the labour market. There is a very positive gender balance within the leadership of these businesses, although ethnic minority communities and people with disabilities are underrepresented.

What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

Welsh Government should consider specialist advice and support for social enterprises as part of its approach to post EU transition. Social enterprises require specialist business advice services to meet their unique needs. While they face many of the same challenges as any mainstream business, they also face unique challenges. Social enterprises have different drivers and deliver holistic solutions, integrating their environmental and social objectives with economic ones. They have specific governance structures and are accountable to multiple stakeholders. They access funding in different ways and from different places, for example from trusts and foundations, social investment providers and community share schemes. These businesses need to be supported in ways which are sympathetic to their means of delivery and social impact.

For further information on the issues raised in this response, please contact:

Ceri-Anne Fidler

Social Enterprise Policy Officer on behalf of the Social Enterprise Stakeholder Group

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Welsh Government Draft Budget Proposals 2022-23

A RESPONSE FROM WCVA

1. [Wales Council for Voluntary Action](#) (WCVA) is the national membership organisation for the voluntary sector in Wales. Our purpose is to enable voluntary organisations to make a bigger difference together.
2. We have consulted widely across the voluntary sector in drafting this response and are pleased to have the opportunity to feed a wide range of sectoral voices into planning for the draft Budget 2021-22. We thank a variety of organisations, including Children in Wales, Pembrokeshire Association of Voluntary Organisations, Builth Wells Community Support, Mudiad Meithrin, British Red Cross, Cytun, Age Well Hwyllog Mon, Welsh Refugee Council, Wales Coop Centre and others, as well as a number of individuals who responded privately.

KEY POINTS

3. Although this response details a number of recommendations for the 2022-23 draft Budget, here are some we consider the most crucial. Each of these points is elaborated upon elsewhere.
 - Welsh Government should prioritise voluntary sector services in the next draft Budget and offer longer-term funding cycles of three or more years to help the sector be more secure and sustainable.
 - During the pandemic, funding reached those who needed it much more quickly. This must continue as we hopefully move on from COVID-19.
 - Combating climate change must be central to all Welsh Government policy-making going forwards. The green recovery will be essential in 'building back better'.
 - Service providers should seek to work co-productively with communities and the sector and Welsh Government should seek to support this wherever it can.
 - Further investment in social prescribing is essential.
 - Welsh Government must engage fully with the voluntary sector as European funding comes to an end.

- The Future Generations Act should anchor any plans to ‘build back better’

WHAT, IN YOUR OPINION, HAS BEEN THE IMPACT OF WELSH GOVERNMENT’S 20-21 BUDGET, INCLUDING FUNDING RELATED TO COVID-19

4. The emergency funding streams such as the Third Sector Resilience Fund and the Voluntary Services Emergency Fund were lifesaving in their speed and flexibility. However, there is still an element of ‘cliff-edge’, where emergency funding has halted or been reduced, but ongoing restrictions around fundraising activity coupled with a lack of public confidence means that income generation has yet to return to pre-pandemic levels. Therefore, many organisations are still struggling, although there have been many fewer organisational closures than were expected at the start of the pandemic.
5. The streamlining of funding processes throughout the pandemic to ensure funds reached their destination quickly was very effective and welcomed across the sector. It is crucial that this continues and we do not go back to the more onerous processes that were in place previously.
6. However, the instability caused by single-year funding cycles continues, causing much uncertainty throughout the sector. These cycles make it hard to plan for the future, make it difficult to attract new staff, and create undue pressure on staff already working for organisations receiving this funding.
7. WCVA’s 2021 update on [Sustainable funding for the third sector](#) states that the pandemic cost the voluntary sector in Wales a loss of £620m in income. Many organisations have had to dig deeply into their reserves which in turn impacts on longer term sustainability. Those with multiple funding streams, such as retail and events, were hardest hit, while those with higher proportions of grant funding and contracts fared better.

HOW DO YOU THINK WELSH GOVERNMENT PRIORITIES FOR 2022-23 SHOULD CHANGE IN RESPONSE TO COVID-19?

8. Welsh Government should prioritise funding services that are provided by voluntary sector organisations and small charities, [67% of which have seen an increase in demand since April 2021](#) across the UK. whilst their ability to raise funds has been stifled and not yet recovered to pre-pandemic levels. While the 2021-22 budget and supplementaries were largely reactive and focused on plugging gaps for core public and voluntary sector services needed for emergency response during the pandemic, the 2022-23 budget needs to be focused on the individuals affected by the health, social and economic implications of the pandemic who are seeking the specialised help our sector provides. This call has been echoed by last Senedd’s Equality, Local Government and Communities Committee in their report on

[‘Impact of Covid-19 on the voluntary sector’](#): ‘The Welsh Government should work with the voluntary sector to identify areas across its work where volunteering can support the post COVID-19 recovery, public services and well-being.’

9. The pandemic remains ongoing and people are still struggling with financial hardship, mental health, loneliness, unemployment, and with access to food. Further investment in the Discretionary Assistance Fund would help. It must also resource service providers to signpost people to their services. As noted by Red Cross, too many people still do not know where to go to access support. According to their research, 41 per cent of people in Wales would be unaware of how to access financial support.
10. Investment in social prescribing is vital to help those who are suffering from loneliness and isolation. Welsh Government should support the voluntary sector to help identify these at-risk individuals. Service providers and health boards must be supported to make the most of social prescribing
11. Funding for nature projects to meet national and international targets and address climate change is vital. COVID-19 offers opportunity to expand green jobs. All Welsh Government policy priorities should demonstrate their links to, and impact upon, climate change.
12. Continued investment in communities is vital, given the way communities across the country, supported by the voluntary sector, came together to help each other during the pandemic.
13. Organisations struggling to stay viable require support to continue delivering essential services. Sustainable funding should be embedded into this and all future budgets to ensure that nobody is left isolated by a vital service suddenly coming to an end with no replacement in sight.
14. The budget must provide clarity on the transition of the arrangements around ICF to the upcoming Revenue Investment Fund.
15. Rough sleepers should continue to be accommodated via the Everyone In Scheme until, at minimum, the pandemic is firmly behind us.
16. Welsh Government should continue to meet its commitments to refugees and asylum seekers, including around employability, quality of homes, and support to establish businesses.
17. Much European funding is about to end, with, as Wales Coop Centre note, ‘an inevitable loss of capacity and expertise from our sector’. It is especially likely to be deeply damaging to lose this funding as we attempt to recover from the pandemic. (Understanding also that

it looks like UK Government will retain control of the UK Shared Prosperity Fund.) Welsh Government should prioritise helping groups to start up and/or grow to further support our communities including exploring cooperative, community-led and social value models of economic transformation.

18. Youth work services were highlighted as a potential priority to enable young people to develop personal and social support skills. Children and young people more generally were also noted, with Children in Wales commenting on the need for sustained support and investment to help children and young people recover from the pandemic.
19. Many social enterprises have significantly depleted their reserves throughout the pandemic, leaving them less resilient than previously, and have had to reprioritise actions while lacking the capacity to think long-term for future projects and opportunities. It is important that the social enterprise sector is supported to rebuild.
20. The importance of core funding for organisations should not be overlooked. This allows organisations to cover running costs and invest in organisational development.

HOW FINANCIALLY PREPARED IS YOUR ORGANISATION FOR THE 2022-23 FINANCIAL YEAR? HOW CAN THE BUDGET GIVE YOU MORE CERTAINTY IN PLANNING AND MANAGING BUDGETS GIVEN THE ONGOING VOLATILITY AND UNCERTAINTY?

21. One area of uncertainty that WCVA is managing, along with many other charities, is pension liabilities. Although WCVA held a reasonable level of reserves, due to COVID-19 and assumptions made by the actuaries, AON, the local government pension scheme liability increased even further from a liability of £100k in March 2019 to a liability of £3.35m in March this year. This further increase has had an impact on the level of general reserves. Looking towards 2022/23, WCVA is concerned that any further negative impact on the local government pension scheme could leave the charity without free reserves. Ensuring we hold a reasonable level of reserves is an important part of our organisational financial resilience and risk management.
22. The end of European funding schemes in 2023 will impact significantly on WCVA, given our long standing role in delivering European grants to voluntary organisations. Adapting to this is an important part of WCVA's planning for financial sustainability in the future.
23. WCVA has introduced five-year financial forecasts which is helping us to take early action to build our resilience where we can see potential issues on the horizon. Managing the risks above is part of that work.

24. WCVA is currently developing its 2022/27 five year strategy and will be looking specifically at its priorities and resources for 2022/23 and the following years. The more certainty there is around funding for 2022/23 onwards the less risk is involved in decision making and the better we can plan for effective spend.
25. Welsh Government's budget can help give more certainty in budget planning and managing budget in two key ways. Firstly, the earlier budget decisions can be made, the better able organisations are to plan. This should be before the end of the 2021, in line with the Code of Practice for Funding. This also avoids staff insecurity and having to begin redundancy processes needlessly. Secondly, longer term budgeting would also help with the budget process for WCVA - three or five year planning would be very helpful as our activities are not annual and cut across several years. This allows us to plan ahead to achieve better outcomes.
26. Voluntary organisations have once again highlighted the uncertain nature that single-year funding cycles forces upon them. There is an overwhelming demand for longer-term funding. Single-year funding impacts staffing levels, job security, the health and wellbeing of those involved, and the nature of projects that organisations feel able to take on. Multi-year budgets, ideally linked to the objectives of the Future Generations Act, are essential for stability and sustainability of voluntary sector organisations. We are encouraged by recent conversations with the Minister for Finance and Local Government, which suggested recognition of, and determination to, tackle this issue.
27. Recent [WCPP research](#) looks at the positive impact of the greater flexibility around funding during the pandemic. This should be continued.
28. Many organisations have posts tied into the likes of ICF and Transformation funding, and clarity is required as to replacements for these important funding streams.
29. The [Code of Practice for Funding the Third Sector](#) is a key document in providing principles and structure for how the voluntary sector is funded.

GIVEN THE ONGOING UNCERTAINTY AND RAPIDLY CHANGING FUNDING ENVIRONMENT, DO YOU THINK THERE SHOULD BE CHANGES TO THE BUDGET AND SCRUTINY PROCESSES TO ENSURE SUFFICIENT TRANSPARENCY AND MINISTERIAL ACCOUNTABILITY?

30. The Budget document should explicitly state how the seven Wellbeing Goals will benefit from the decisions made in compiling it. Future Budget documents should also state how

they will achieve the aims of the Race Equality Action Plan and LGBTQ+ Action Plan.

31. One option to increase scrutiny would be to embed Citizen's Assemblies into the political process in Wales. Rebuilding requires active communities and public participation in democracy. Citizen's Assemblies could play a role here. The voluntary sector is well-placed to signpost communities to information about these.

DOES THE FISCAL FRAMEWORK ADEQUATELY REFLECT THE IMPACT OF THE PUBLIC HEALTH EMERGENCY IN WALES COMPARED TO OTHER UK COUNTRIES? DO YOU SUPPORT INCREASING THE ANNUAL AND/OR OVERALL LIMITS TO WELSH GOVERNMENT BORROWING WITHIN THIS FRAMEWORK?

32. The four nations should look once again at the Barnett Formula in the face of the loss of EU funding. This loss, along with the Levelling Up Fund being administered by UK Government, means that revisions should be considered to prevent potential funding gaps opening up, or being further exacerbated.

COMMENTS ON:

HOW RESOURCES SHOULD BE TARGETED TO SUPPORT ECONOMIC RECOVERY AND WHAT SECTORS IN PARTICULAR NEED TO BE PRIORITISED.

33. There are over 49,000 voluntary organisations in Wales, including over 6,600 registered charities. It accounts for 10% of employment in Wales. 26% of people volunteer at least one day a year. (Source: [The Voluntary Sector Data Hub.](#))
34. Resourcing the sector itself is a priority, given its role in service delivery in every community across Wales. This includes the social enterprise sector, which will be crucial in reviving local and hyperlocal economies.
35. Front line care and support services need easy-to-access, regular, long-term funding to ease pressure on the NHS and ensure people have access to the services they need whilst also being able to play their part in their communities.
36. The Foundational Economy should be considered at all times during the recovery. It requires Welsh Government to continue to look at supply chains, encouraging and supporting businesses of all kinds to buy local, thus ensuring that money stays within communities and the impact on climate change is minimal. Social enterprises are extremely

well placed to benefit communities.

37. There is a need to invest in skills and development opportunities for those young people who left full-time education during the pandemic and are struggling to find work or further training.
38. The Programme for Government made numerous commitments to the social enterprise sector, from community hubs to community recycling facilities, that will be harder to meet without specialist support from the voluntary sector and government.

...TO WHAT EXTENT ALLEVIATING CLIMATE CHANGE SHOULD BE PRIORITISED IN SUPPORTING ECONOMIC RECOVERY

39. All plans and policy decisions Welsh Government make from this point forward must have environmental and climate change concerns embedded within them and, as far as possible, seek to sustain and encourage the new positive community and individual behaviours that have emerged during lockdown.
40. All local and national government plans and policies must closely examine the potential impacts on climate change before being initiated. This is legislated for under the Future Generations Act.
41. Continued investment should be made in community energy projects, which not only help climate change, but create jobs and benefit local economies.
42. Wales resilience to future shocks depends on communities' ability and confidence to prepare for, respond to and recover from local emergencies. The voluntary sector is ideally positioned to report on these issues to their Local Resilience Forum and to co-produce improved solutions.

...HOW RESOURCES SHOULD BE PRIORITISED TO ADDRESS THE PRESSURES FELT IN SECTORS THAT NEED TO 'CATCH-UP', SUCH AS HEALTH AND EDUCATION

43. We would be interested to hear the Committee's definition of 'catch-up' and how it has been decided which sectors this applies to.
44. Early intervention and support services should be priorities, alongside innovative cross-policy programmes spanning, for example, health and social care, or social care and education, and so on. These services must be co-produced to allow communities to feel ownership over the services they receive. The voluntary sector has a key role to play in this, working with community members to identify their needs. However, it must be emphasised

the sector should not be looked to in order to replace already-existing, local authority-run public services.

45. Further investment in the sector will alleviate pressure on the NHS, improving patient outcomes. Red Cross have highlighted their emotional support work with patients as an example, reducing pressure on medical staff who can then attend to patients' medical needs. Additional investment in pastoral care would also be beneficial. Resource should be ringfenced for non-NHS care to ensure vital social services are able to continue.

...WELSH GOVERNMENT POLICIES TO REDUCE POVERTY AND GENDER INEQUALITY

46. The socio-economic duty should be at the forefront of budget decision making. Poorest people have arguably been the hardest hit by the pandemic, with low earners three times more likely to have lost their job or been furloughed than high earners (Resolution Foundation, 2020).

47. The Budget should target resources at initiatives supporting child poverty - for example, expansion of the free school meals programme and investment in early intervention support services. However, as we stated last year, the aim should be to prevent poverty altogether, not simply reduce it.

48. Investment in community services helps bring people together, including those members of society are harder to reach. However, as noted earlier, these services must be co-produced for communities to take ownership of said services and gain maximum benefits.

49. More investment in the Discretionary Assistance Fund would be hugely beneficial in mitigating the impacts of poverty. Targeted awareness raising of the DAF is vital to ensure that as many people as possible who need this Fund are able to access it.

50. There is still a housing crisis, with Shelter Cymru research showing that one in three people in Wales live in unsafe or unaffordable housing, often choosing between paying rent and buying food. One in four people live in homes with damp, mould or condensation problems, and around 315,000 people say their housing situation harms their mental health. Investment must be made to alleviate this problem. Not doing so will simply see pressures increase on frontline medical services.

51. Sufficient investment must be made to ensure that the actions of the LGBTQ+ Action Plan and Race Equality Action Plan are progressed and the best outcomes achieved.

52. Digital poverty is an ongoing concern – households during the pandemic often struggled to engage online, due to lack of suitable broadband, lack of skills, or inability to acquire the

electronic devices required to go online. Wales Coop Centre have called for a minimum digital living standard for Wales, and we would back this.

53. Quality childcare can help alleviate poverty, through early interventions, as well as gender inequality, due to the childcaring burden overwhelmingly falling on women. Investment here would be hugely beneficial. Mudiad Meithrin have also called for encouragement for more men to work in childcare.
54. Each year, we ask why other potential areas of inequality – race, religion, age, sexuality, etc – are not included within the remit of this question? These are all areas in which the Budget could and should make a legitimate difference. It would be invaluable to hear the Committee’s thinking on this.
55. We again ask Welsh Government to commit that a proportion of the overall skills and employability budget should be ringfenced for harder-to-reach groups, with an acknowledgement that voluntary sector agencies are a key part of achieving this.

...APPROACH TO PREVENTATIVE SPENDING AND HOW THIS IS REPRESENTED IN RESOURCE ALLOCATIONS

56. The sector is agreed on the importance of preventative spending as a means of reducing later primary care costs.
57. Welsh Government should focus on preventative spending in the form of investing in communities and wellbeing. The voluntary sector has proven during the pandemic, and for many years prior, how volunteering and early light-touch intervention from charities has been instrumental in reducing harm and preventing deterioration of mental and physical health in individuals. Community building and regeneration programmes help many of the most marginalised members of society to make important connections, gain valuable skills and have better prospects from an early age. County Voluntary Council (CVC) partners are well-placed to assist with this work.
58. A great number of people are coming out of the pandemic worse-off – financially, mentally, physically, and socially, than they were before. The provision of varied and flexible early support from our sector will be critical in preventing unmanageable pressure on public services.
59. The Connected Communities strategy sets out the importance of social prescribing to Welsh Government, but significant resource must go to community groups, sports clubs and so on in order for it to deal effectively and efficiently with an increase in prescribed activities.

60. A significant proportion of public spending should ensure the Wellbeing of Future Generations Act is implemented, ensuring Wales is on a sound footing for future generations, mitigating against flood risk, poverty, inequalities, climate change and more.
61. Red Cross suggest that Welsh Government invest more in funding for schemes which help people develop coping strategies in the face of future crises. The voluntary sector could be a key partner in such a scheme, with knowledge of local communities and support services to help people build their own resilience.
62. The draft Budget should enable the priorities coming out of Population Needs Assessments and Market Stability Statements to be tackled.
63. WCVA and the 19 CVCs work on and promote [Infoengine](#), a database of voluntary sector services, as a vital search tool for citizens, public and third sector services. We would welcome the opportunity to work with government to promote this portal to local authorities and health boards to assist with the preventative agenda.

...SUSTAINABILITY OF PUBLIC SERVICES, INNOVATION AND SERVICE TRANSFORMATION

64. The sector's role in transformative public services should not be underestimated, and it should be resourced and supported – including to have an effective voice at PSB and RPB level – to continue and strengthen the crucial work it offers.
65. While organisations that are successful in bids for funding for services should be allowed to undertake a level of innovation in order to test new ideas, this is not to say that tried and tested approaches should be discarded. Services that are already working well should be scaled up where appropriate.
66. Work must continue to ensure health and social care continue to become integrated and that services are 'joined up', as set out in A Healthier Wales.
67. WCVA, Wales Coop Centre and ProMo-Cymru have launched the [Newid project](#), which aims to ensure the Welsh voluntary sector takes advantage of the opportunities from digital approaches. Digital is becoming ever more important in service delivery, and forms a significant part of the Welsh economy. Continued investment in digital inclusion is essential. It will help people manage their health and access relevant information, so it can also be seen to be investing in prevention.
68. Welsh Government should pay close attention to grassroots service delivery to avoid accidental duplication of existing services.

69. Corporate Joint Committees will be introduced in 2022. New mechanisms such as CJsCs must work to benefit community services, not hinder or suffocate them with extra bureaucracy.
70. The [National Principles for Public Engagement](#), endorsed by Welsh Government, are designed to help service providers engage effectively with the public. We recommend all public service providers use them to help with their work.
71. WCVA is a partner in the Co-Production Network for Wales. The Network's [Knowledge Base](#) is a hugely useful resource for service deliverers.

...HOW EVIDENCE IS DRIVING WELSH GOVERNMENT PRIORITY SETTING AND BUDGET ALLOCATION

72. Each year, we receive comments from the sector that Welsh Government does not effectively communicate how it considers evidence during budgeting decisions. This has happened again this year. It would be worth Welsh Government holding a webinar or similar session specifically for the voluntary sector to show how evidence informs its budgeting decisions.
73. It would be useful to see a document setting out how decision-making has taken into account the demands of the Future Generations Act and, although they are still not published in final forms, those of the LGBTQ+ Action Plan and the Race Equality Action Plan.
74. Our [Voluntary Sector Data Hub](#) tracks data relating to the voluntary sector in a number of areas. We invite Welsh Government, the sector, funders and researchers to continue to make use of this resource.

...HOW WELSH GOVERNMENT SHOULD USE TAXATION POWERS AND BORROWING

75. As noted last year, money raised from taxation and borrowing should go towards combating the climate and ecological crises, investment in preventative services and help guide us towards making a success of the Foundational Economy. Those suffering from poverty should not be made to suffer disproportionately by additional taxation.
76. We would like to see Welsh Government engage more widely with the public as to how they are using the taxes they currently receive.

...SUPPORT FOR BUSINESSES, ECONOMIC GROWTH AND AGRICULTURE AFTER EU TRANSITION ENDS

77. Engagement with the voluntary sector as EU-funded activity ends is critical. Sector organisations in receipt of EU Structural Funds met essential needs for many people. For example, the social enterprise business support project delivered by Wales Co-op Centre ends in December 2022 and Agile Nation 2 (delivered by Chwarae Teg) which supports SMEs and individual women ends in East Wales in 2022, and West Wales and Valleys in early 2023. EYST's very successful BME Invest programme, which provides paid work placements to young Black, Asian and Minority Ethnic people, hosted by community groups in Swansea, Cardiff, Newport and Wrexham, and delivered with Active Inclusion Funds, will end in June 2022. WCVA's Active Inclusion Fund that will support 40000 people furthest from the labour market in Wales will end next year.
78. We are aware that the loss of EU funding will leave a huge hole in Welsh Government's budget, including for business support generally, apprenticeships and skills, employability and infrastructure. We understand that Welsh Government will need to take difficult decisions about the future of many of these services, but we are concerned that those decisions may be made without adequate engagement with the voluntary sector, which has a closer understanding of the needs of individuals and communities across Wales currently. If the UK had not left the EU, and previous funding continued, we would be engaged in meaningful dialogue with officials and Ministers at this stage about identifying priorities and need - as was the case in preparation for Objective 1 & 2 funding, Convergence & Competitiveness as well as the current programmes.
79. Given the central role of voluntary sector organisations in supporting the implementation and delivery of many Welsh Government priorities, meaningful engagement is needed to ensure that when difficult decisions are made about prioritising funding, they reflect the needs of Welsh communities.

...WHAT ARE THE KEY OPPORTUNITIES FOR GOVERNMENT INVESTMENT TO SUPPORT 'BUILDING BACK BETTER'

80. Continued, genuine engagement with the voluntary sector, which has unrivalled knowledge of local communities, will be vital to build back better than before. The fantastic community response to the pandemic, in which people helped others out with shopping, hospital appointments, prescription deliveries and much more, shows what communities can do. Communities must be encouraged and invested in to help maintain the momentum as we emerge from the pandemic.
81. Welsh Government must use the Future Generations Act as an anchor to any plans to build back better. The Wellbeing Goals, if achieved, would represent a Wales that has truly been built back better.

82. Investment to encourage people to work in social care will help the care sector move forward in line with Welsh Government's commitment to taking private profit out of care. It will also offer long-term benefit to those in receipt of care, ease the burden on the care sector and its staff, and provide a network of support to communities.
83. The green recovery will be essential in 'building back better', and the Local Nature Partnerships have a significant role to play in this, for instance in working with partners to identify nature-based activities and developing green skills and jobs strategies with apprenticeship schemes. However, to do this effectively, they will require resource and support
84. The Equality, Local Government and Communities report, [The Impact of COVID-19 on the voluntary sector](#), noted: 'Welsh Government should develop a programme of empowering communities across Wales with the voluntary sector, acting as an enabling state for community action. We support the WCVA's call for this to include a Community Wealth Fund and legislation to provide greater ability for communities to be involved in local action.' The Budget should follow this recommendation and further invest in the voluntary sector, including the volunteering infrastructure, and seek to facilitate a Community Wealth Fund. It could also help support the sector to diversify its income away from reliance on the public sector to a greater mix of streams.
85. The Budget should also explore how to further improve relationships between the voluntary and public sectors. [WCPP has noted that](#): 'over time, the interactions between public sector and community sector developed, "drawing strength from their difference, with the benefits of community action often stemming directly from its separation from the state, and vice versa".'

DISCUSSION

86. WCVA will be pleased to discuss these or any other points relating to this consultation response with officials, committees, Members of the Senedd or Ministers if requested.

David Cook,
Policy Officer, WCVA

November 2021

The Children's Society

Finance Committee – Draft budget submission from The Children's Society

Financial support for care-experienced young people

As part of a budget for the next financial year, we at The Children's Society are calling for more funding towards financial support for care-experienced young people in Wales.

It is crucial that young people who have left care are provided with support and guidance as they transition to living with greater independence, which is a time and process that can be exciting for the young person, but that also can induce anxiety. There are several factors involved with this process that need to be considered, such as managing money and accessing benefits; accessing or continuing with education or training; finding and securing housing; and the ability to engage in activities to help with wellbeing. In recent years, support that should be in place for young people who are care experienced has garnered a lot of attention both at national and local levels.

In 2016, the Social Services and Wellbeing (Wales) Act came into force, which requires local authorities to prepare a pathway plan for a child who is 16 and who are looked after, to “set out the actions which are necessary to support the young person make a successful transition to adulthood and greater independence,” ([Code of Practice, Part 6, p.8](#)), and which require review once the young person has left care. As of April 2019, young people in Wales up to the age of 25 and who have left care are exempt from paying council tax. This policy is crucial for removing from young people who are care experienced a financial cost that can be significant, and giving them the space to transition to living with greater independence.

Additionally, in 2017 the Welsh Government launched the St David's Day Fund, which provided to local authorities £1 million to support young people who have left care to access opportunities to help them transition to life with greater independence. This funding was doubled in 2019/20, and in response to the COVID-19 pandemic, Welsh Government updated its guidance to prioritise support for care leavers “[who may be experiencing financial hardship due to income loss, difficulty with tenancy agreements, food and other basic living necessities.](#)”

We also welcome other forms of support available to young people who are care experienced during the COVID-19 pandemic, such as the Protection from eviction (Wales) Regulations as part of the Coronavirus Act 2020, and the Tenancy Hardship

Grant. It also is welcoming to see the First Minister's intention to trail a Basic Income pilot with a cohort of care leavers.

Whilst it is important to recognise the commitment and action over recent years to support young people who are care experienced, in light of the COVID-19 pandemic and its effects for some time to come, we believe it is appropriate to evaluate the effectiveness of this support; to find gaps in current provision; and to consider how support could be improved.

One way in which greater support could be offered to young people who are care experienced who are in need of emergency assistance is easier access to the Discretionary Assistance Fund (DAF). In response to the COVID-19 pandemic, we welcomed Welsh Government's additional investment of £11 million to the Fund, as well as making more flexible its criteria for accessing Emergency Assistance Payments (EAPs), one of the two grant types offered by the DAF, such as being able to be awarded up to five grants per year. This increased flexibility has been extended to 31 March 2022, however the impact of COVID-19 will not end by that date.

The impacts of the pandemic will be felt for some time, and those who are particularly vulnerable to financial hardship, such as care-experienced young people, will not be able to use the greater flexibility for accessing the DAF to respond to an emergency at the end of this financial year. In response to this, as well as making the case for these DAF flexibilities to be extended, we are urging Welsh Government to examine how accessible the DAF has been to care-experienced young people during the pandemic, to examine what changes could be made to the DAF to ensure that it can be accessed with ease by care-experienced young people, and allocate the funding necessary to achieve this. This should be for both EAPs and Independence Assistance Payments (IAPs), the latter of which is a DAF grant used to help a service user to live independently in a property he is moving into, and can be used to purchase, for example, white goods or furniture. IAPs could serve as an important form of support for a care-experienced young person who is moving into living with greater independence.

We urge the Finance Committee to examine the funding allocated to the DAF for the next financial year, so as to ensure that it is resourced to continue to meet the needs of people facing financial hardship.

As well as the DAF, we encourage the Finance Committee to examine the resource provided to Regional Advice Networks. These Networks were established at the beginning of 2020, which involves six networks across Wales working with services users to offer information, advice, and guidance on issues such as accessing benefits, money and debt, housing, employment, and immigration. Although we welcome the establishment of these networks, it is unclear how accessible they are to groups such as care-experienced young people, and whether social services have established links with these networks so as to streamline the process of a care-experienced young person accessing a Network's services, and to involve the Networks in the process of preparing the young person towards living with greater independence. We would argue that these Networks could play a vital role in

providing care-experienced young people with the financial advice and support they need, and we would urge the Finance Committee to scrutinise the resource allocated to these Networks.

Measuring children and young people's wellbeing

'Well-being' is used to refer to a range of things in everyday life, such as being happy, not being ill, feeling fulfilled and being financially secure. Successive Welsh Governments have emphasised the importance of improving well-being, having introduced major pieces of legislation which provide a framework for improving well-being in Wales and making well-being a key element of the new curriculum.

Two key pieces of legislation that place duties on public bodies in Wales to promote well-being are the Social Services and Well-being Act and the Well-being of Future Generations Act. While it is welcome that these major pieces of legislation exist, the well-being goals that the Acts aim to achieve focus on 'objective well-being' – that is, access to education, educational attainment, housing, access to rights, and access to work and training. These are important goals, however they do not take into account the importance of subjective elements of well-being, meaning how children feel about their lives – for example, whether they feel safe where they live or whether they enjoy school.

In this year's Good Childhood Report, we provide the following estimates of how children in Wales feel about difference aspects of their lives:

Measures where mean scores for children aged 10 to 15 were found to be sig lower in 2018-19 than 2009-10:	Estimated number of children in Wales
Low happiness with life as a whole in UK: 6.7%	14,000
Low happiness with friends in UK: 3.4%	7,000
Low happiness with appearance in UK: 14.4%	30,000
Low happiness with school in UK: 11.9%	24,000

We are able to learn a great deal more about children and young people's lives by asking them about these aspects and how they impact their lives. Good policy requires good evidence and an absence of data on children's subjective well-being remains a barrier to improving children's lives. Whilst children are required to learn about how to look after their well-being, policymakers in Wales do not know how children feel about their lives and what they need to help them to live a fulfilling life and achieve their ambitions in the difficult times ahead.

Welsh Government needs to prioritise improving data on children's subjective well-being. This could have positive implications for the development and implementation of policy relating to education, public health, social care, planning and housing at national and local levels. Importantly it could help provide a consistent objective of policy and spending decisions and a narrative on children and young people for Welsh Government – to improve children's well-being.

We urge the Committee to scrutinise Welsh Government's current funding proposals in the draft budget for measuring young people's wellbeing; whether they are seeking to develop and expand current activity on gathering data on young people's wellbeing; and if so, whether it will be expanded to all children and young people in Wales.

I hope that this is useful, but please let me know if you have any questions or would like any additional information – I am contactable via





Call for information: Welsh Government Draft Budget Proposals

Questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Through the 2021/22 budget Welsh Government and its delivery partners have protected vital services through Covid-19 pressures, but also begun to make accelerated progress on systemic issues, such as tackling Wales' housing crisis and the supply of affordable homes. We were also pleased to see the Welsh Government's Covid recovery plan recognise the important role of housing in supporting the recovery across Wales.

The data shows that we need between 3,400-5,200 market homes in Wales and 3,300 – 4,400 social homes and that we are not building enough social housing to meet this need¹. We were therefore pleased to see record investment in social housing grant - nearly £300 million allocated - in the 2021-22 final budget. This investment will support housing associations to continue to build at pace and scale within challenging economic circumstances.

There was also a much needed rebalancing of investment in the Housing Support Grant that reversed 10 years of real terms cuts to housing-related support funding through an additional investment of £40 million that represents a 32% increase on investment in 2020/21. Post Covid homelessness transformation funding was also an important investment to support a transition to rapid rehousing in the immediate aftermath of the public health crisis.

Wider investment choices made through the 2021/22 budget also played an important part in tackling the housing crisis such as £32m for building safety, and £40m capital for the integrated care fund.

Finally, we know that Wales has some of the oldest and least thermally efficient housing stock in the UK and Europe. 32% of the Welsh housing stock was built before 1919 and homes in Wales are responsible for 27% of all energy consumed and 15% of all demand-side greenhouse gas (GHG) emissions. Decarbonising our existing stock is an important part of tackling the climate emergency. The Optimised Retrofit Programme has provided a welcome opportunity to understand the combination of building fabric improvements, low and zero-carbon technologies, and intelligent operational controls which will help us collectively plan how to take each home to its lowest achievable carbon footprint.

For social care, a number of important investment announcements have been taken outside the formal budget cycle, such as the continuation of Covid-19 social care

¹ <https://gov.wales/estimates-housing-need-2019-based>



funding, the and social care recovery funding (£40m for 2021/22 announcement in September 2021). This funding has been vital for providers and ensured they are able to maintain high quality care at a time when both cost pressures have escalated and income has been squeezed.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

The 2021/22 budget provided much needed investment in critical areas that we need to see protected and built upon in the investment choices for 2022/23 and beyond.

Covid-19 exposed, rather than created, cracks in delivery of public services. Our collective focus should be on a long-term balanced investment programme that allows public services and their delivery partners to reorient public services away from crisis towards prevention, and to make every pound work hard to provide an economic boost, as well as benefiting the health and wellbeing of the whole nation and future generations.

The UK Government's recent comprehensive spending review gave the Welsh Government the power to set out its spending plans over a 3-year period, until 2024/25. For the first time, the Welsh Government has some medium-term certainty about its budgets and we urge them to seize this opportunity to provide certainty to delivery partners to ensure that we can maximise the value delivered for each pound of investment.

Capital investment

Capital investment should be prioritised and measured according to the impact it can have on future generations to support a shift to an economy that is founded on wellbeing principles. This should include the following priority spend areas for the coming years:

- A multiyear investment programme to support the delivery of the 20,000 new energy efficient social homes for rent promised in the programme for government. This should equate to an annual investment of at least £300m capital in social housing grant.

Building 20,000 social homes will support over 7,000 jobs and 3,000 wide ranging training opportunities across Wales and produce almost £2bn of economic output. Housing associations will match government investment in new homes under the new grant framework blending private borrowing with government investment to make public investment stretch further.

- A long term commitment to a 10-year, £4bn stimulus package, backed by a mix of public and private funding, to retrofit social homes. Investing to make existing homes more energy efficient homes will provide a local economic boost. Refurbishing half of housing association homes in Wales, over the next term of government, could support over 12,000 jobs, 3,000 training



opportunities and create £2.5bn in economic output². We would like to see the government commit to a long term stimulus package based on the new Welsh Housing Quality Standard and learning from Optimised Retrofit to support social landlords to deliver the decarbonisation of existing homes.

Rebalancing spend towards prevention

Despite the efforts of many, organisations often miss the opportunity to collaborate. This is often attributed to the overwhelming challenge of ‘today’, the constant need to ‘fire-fight’ problems, risk aversion and culture - helped along by rigid, competitive and time-limited funding and commissioning arrangements which can leave limited time to develop sustainable partnerships.

We would like to see:

- A three year indicative funding settlement for the Housing Support Grant (HSG), which increases by at least inflation each year, from a baseline of £166 million. The Homelessness Action Group recognised the importance of housing related support and called for the HSG budget to be increased in its major report about how to end homelessness in Wales³. This will become even more important as Wales makes the transition to rapid rehousing. Last year’s Housing Support Grant budget was increased in recognition of the importance of funding support services.

To build on the efforts made to reduce homelessness during the pandemic, it is critical that it is protected and increased further, at least in line with inflation in future budgets. Another compelling reason to protect and increase the HSG is to enable services to receive enough funding to pay their staff a fair wage and provide them with the support they need. They have saved and transformed lives during the pandemic - but are some of the lowest paid workers in Wales and frequently experience vicarious trauma as a result of the work they do. It’s time that they received the reward, recognition and support they deserve - or we risk losing a highly skilled and passionate workforce.

- Funding in the 2022/23 budget to enable local authorities to continue to providing much needed emergency accommodation and support to people experiencing homelessness. The Welsh Government took critical action at the start of this pandemic, announcing £10 million for emergency accommodation and support that enabled people to come off the streets and stay somewhere safe. As Covid-19 continued to place strains on people’s lives, relationships and finances, thousands of people have presented to local authority homelessness services during this pandemic.

Unfortunately, structural factors such as the absence of enough truly affordable housing has meant that thousands of people have remained in

² <https://hereforhomes.org.uk/uploads/resources/Home-CHC-ActionPlan-ENG-FINAL.pdf>

³ <https://gov.wales/homelessness-action-group>



emergency accommodation, despite considerable efforts to help them into permanent homes. There are currently over 6,500 people in emergency accommodation, with approximately 1,000 people presenting to local authority homelessness departments every month.

The Welsh Government has committed to providing funding to local authorities for the remainder of this financial year - but due to the lack of truly affordable housing we know that people will continue to need emergency accommodation as we enter the next financial year. It is critical that the Welsh Government's draft budget includes funding for local authorities to enable them to continue to secure emergency accommodation.

- Transition funds to support the shift to a preventative approach. This builds on the approach to homelessness transformation funding from the Welsh Government and should include a 3-year transition fund to transform the way we alleviate homelessness based on rapid rehousing and Housing First in line with recommendations from the Homelessness Action Group.
- A funding road map to provide long-term fair funding for social care. We would like to see a clear plan set out alongside this first Budget of the sixth Senedd for Care. This should include work to develop an evidenced national fee methodology that meets the true cost of delivering high quality care and enables providers to pay at least the Real Living Wage, as part of work to develop a National Commissioning Framework

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

There is a big opportunity for this budget to provide a multiyear funding package. The environment within which housing associations are delivering services and building new homes has never been more challenging. We are seeing cost pressures across the piece and certainty plays an important role to manage down risk.

This should be accompanied by a pragmatic approach to the discharge of grant programmes to respond to rapidly changing times. The new approach to allocating Social Housing Grant based on a standard viability model should provide scope to do this and we urge the Welsh Government to keep the model and assumptions within it under review. For example, a recent CIH Cymru report⁴ found that almost 90% of respondents to their research across housing developers and social landlords are having significant or moderate issues with supply chains for building new homes, day to day maintenance and retrofitting and that prices are increasing across the piece with access to timber has seen the most significant impact but items needed for all aspects of building homes, and carrying out maintenance/repairs have been affected to one extent or another.

⁴ <https://www.cih.org/media/4hwfxjq2/shocks-in-the-supply-chain-final-eng.pdf>



4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

Changes to ensure that effective scrutiny takes a longer term view is essential and in line with the ambitions and goals of the Future Generations Act.

We believe that the Budget should clearly link to well-being outcomes from the Programme for Government to enhance the transparency over spending decisions.

Finally, we would like to see greater scrutiny over the Welsh Government's work to rebalance spend away from crisis to long-term prevention over the next Senedd term, and provide the necessary transition funds to support the long-term shift to a preventative and public health based approach. One important way that this could be achieved is via an annual report to the Public Accounts Committee setting out the proportion of spend directed towards preventative services and its plans to shift that proportion over time.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

No comment on this issue.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- **How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.**

We know that the Welsh Government will have difficult trade-offs to make. We will need a balanced investment programme that makes every pound work hard to provide an economic boost, as well as benefiting the health and wellbeing of the whole nation and future generations. Capital investment should be prioritised and measured according to the impact it can have on future generations to support a shift to an economy that is founded on wellbeing principles.

This should include a focus on the role that good quality housing can make to create jobs, support local businesses and have a multiplier effect on the economy. We know that good housing can stimulate and extend economic activity locally. For every 1 person employed full time by a housing association, another 1.5 good quality jobs are supported elsewhere in the economy.

Investing in 20,000 energy efficient social homes could:

- Support over 7,000 jobs and 3,000 training opportunities across Wales



- Produce almost £2bn of economic output.⁵

Housing associations are keen to play their part to complement public investment:

- In 2018/19, housing associations invested £4 million to provide training for their tenants, with 8,000 people receiving employability and skills development⁶.
- 85p in every pound spent by a housing association in Wales, stays in Wales and we have ambitions to increase this proportion of local spend to 90p by the end of the Senedd term.
- As independent organisations that exist for social purpose, housing associations have access to £3bn of private borrowing which they use to make public investment go further⁷.

To what extent alleviating climate change should be prioritised in supporting economic recovery

We would see this as a complementary activity. Investing to make existing homes more energy efficient homes will provide a local economic boost: Refurbishing half of housing association homes in Wales, over the next term of government, would support over 12,000 jobs 3,000 training opportunities and create £2.5bn in economic output⁸

How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education

Welsh Government policies to reduce poverty and gender inequality.

We know that resources are under strain and that the COVID -19 crisis means the government has had to respond to the very immediate public health and economic crisis. This has inevitably tipped the balance of spend even further towards reactive and acute interventions. We must use this Senedd to reverse this shift.

The effects of the COVID-19 pandemic have not been felt equally by people and communities across Wales. Housing has proved to be a key determinant of health, wellbeing and safety, and ‘Home’ has never meant more. Somewhere safe, comfortable and secure. Somewhere adaptable to our changing needs. Somewhere connected to our work, education, public services - and to each other. Where we live has never been more important to how we live.

Whilst the appropriate quantum of funding is crucial we also need to bring our collective resources together in a focused, coordinated and shared effort if we are to

⁵ https://chcymru.org.uk/cms-assets/legacy/2018_Economic_Impact_of_Welsh_HA_sector_Report_FINAL.pdf

⁶ https://chcymru.org.uk/cms-assets/legacy/2018_Economic_Impact_of_Welsh_HA_sector_Report_FINAL.pdf

⁷ https://chcymru.org.uk/cms-assets/legacy/2439_CHC_Global_Accounts_2019_v4.pdf

⁸ <https://hereforhomes.org.uk/uploads/resources/Home-CHC-ActionPlan-ENG-FINAL.pdf>



reduce health inequalities and support people to live well and independently for longer. Alongside efforts to rebalance funding we would also wish to see the Welsh Government bridge the gap between policy and delivery and bring people together to tackle health inequalities by providing a cross government, whole-sector response to physical and mental health inequalities to create the economic, social, natural and home environment that supports positive wellbeing throughout the life-course for all people in Wales and reduces inequalities for the next generation.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)

How evidence is driving Welsh Government priority setting and budget allocations

We would welcome the budget being presented in a form which makes this investment visible, accessible and transparent so we can monitor progress. This should include ensuring that the budget allocations are also mapped against the well-being outcomes in the Programme for Government and an annual report on the work to rebalance spend from crisis to prevention to the Public Accounts Committee.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)

“Stay home!” is a phrase we have heard again and again during the pandemic. Never before have our homes taken such prominence; many of us spent so much time within them and so many aspects of our lives revolved around them.

We know that the next Government of Wales will have difficult trade-offs to make. We will need a balanced investment programme that makes every pound work hard to provide an economic boost, as well as benefiting the health and wellbeing of the whole nation and future generations. Investment should be prioritised and measured according to the impact it can have on future generations to support a shift to an economy that is founded on wellbeing principles.

What has been clearly demonstrated by the pandemic is that investment in a warm, safe and appropriate home is fundamental to our collective ability to improve our health and prosperity and should be at the centre of any proposals to build back better.

Finance Committee consultation: Welsh Government Draft Budget 2022-23

Cancer Research UK Response – November 2021

Summary

Cancer Research UK is the world's largest independent cancer charity dedicated to saving lives through research. Our vision is to bring forward the day when all cancers are cured. We support research into all aspects of cancer, which is achieved through the work of over 4,000 scientists, doctors and nurses across the world. In 2019/20, Cancer Research UK funded over £5m of research in Wales. Our research in Wales focuses particularly on bowel, breast, urological and prostate cancers, as well as leukaemia.

The upcoming Welsh Government Budget is an important opportunity to make progress on our vision to see more people survive their cancer diagnosis in Wales, a vision we believe is shared by the Welsh Government. Following the UK Government's recent Budget and Spending Review, Wales now has clarity on additional annual funding across the Spending Review period up to 2024/25.

It is vital that the Welsh Government seizes the opportunity this multi-year settlement presents to deliver urgently needed investment in growing the cancer workforce – healthcare professions crucial to the diagnosis and treatment of cancer – as a priority, to make the change needed to improve the lives of people affected by cancer in Wales now and in the future.

Spending on health in Wales accounts for around half of the Welsh Government's budgetⁱ, and workforce shortages in the NHS have had enormous implications for Welsh Government finances. **The NHS is rarely considered as a vehicle for economic recovery or growth in Wales. It is true that investing to expand the NHS workforce is a fundamental requisite for improving cancer survival in Wales. But there is also a strong economic case for doing so.**

Cancer is the leading cause of death in Walesⁱⁱ. Around 19,600 people are diagnosed with cancer every year in Wales.^{iiiiv}

Research in the last decade has found survival in the UK nations to lag behind other countries.^{vi} Survival in Wales has improved in recent years^{vii} however this international gap remains in many cancer sites^{viii}. This highlights that there are improvements to be made in Wales, in comparison with comparable countries around the world.

The challenges facing cancer services in Wales have been compounded by COVID-19. We now know that in the year between April 2020 and March 2021, around 1,700 fewer people than expected began cancer treatment in Wales.^{ix} Many factors might have contributed to this, such as the closure of screening programmes. Disruption to services risks later stage diagnosis, making it much harder to treat and worsening survival chances. There is a real risk that cancer survival could go back in the UK for the first time in decades.

While some cancer services have now largely returned to around pre-pandemic levels, we must recognise that outcomes in Wales were not good enough before the pandemic. There remains an urgent need to transform services in order to continue recovery from COVID and improve cancer outcomes for the long-term. To do this, we need to see investment from the Welsh Government to grow and support the cancer workforce.

Q6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- **How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.**

The NHS is the largest employer in Wales, giving it an unparalleled ability to enhance local economies and drive growth and prosperity. The NHS in Wales currently employs over 100,000 people, directly supporting around six per cent of Welsh employment.^x This means that it is likely that in every community in Wales there will be someone employed by the NHS in Wales, giving the NHS in Wales – through its investment in staff and local services – an unparalleled ability to drive the economic recovery of local communities.

The profile of the jobs created by investing the cancer workforce in Wales can also help tackle inequalities in communities across Wales. The average annual wage in NHS Wales exceeds the all-Wales average. In 2016/17, NHS Wales had an average annual wage of £33,800, compared to an average of £24,600 across the wider Welsh economy – and the NHS in Wales is a Real Living Wage employer.^{xi} Given the capacity of the NHS, in its role as an employer, to reach into communities across Wales, this can provide well-paid, stable jobs to more deprived communities. Many staff live and spend their salaries locally, meaning that the benefits of investing in the health workforce are not just felt by the staff employed by the NHS, but spill over into the wider local economy.

The Health Foundation’s report *Building Healthier Communities* outlined how NHS organisations can help embrace their role of the as ‘anchor institutions’ – and the vital role of the health workforce in doing so.^{xii} An anchor institution is a large, public sector organisation that has a significant stake in a geographical area and is unlikely to relocate. They have a mission to advance the welfare of the populations they serve. To fully realise the regional economic benefits of the NHS as an anchor institution, workforce investment is vital. We support the Health Foundation’s recommendations that the Welsh Government should also:

- **Widen workforce participation**, by targeting positions for local people, understanding local demographics and opportunities, and build a local talent pipeline through pre-employment programmes, work placements and work experience
- **Build the future workforce**, by engaging young people and supporting career development, for example through increasing the number and types of apprenticeships
- **Be a good employer** by supporting health and wellbeing staff, offering fair pay and conditions, and supporting professional development and career progression

We support the Welsh NHS Confederation’s argument that given the “size, scale and reach of the NHS”^{xiii}, it is uniquely placed as an institution to influence and progress the economies of local communities in Wales. **Given the challenges we have faced as a nation through the pandemic, we believe that now is the time for the Welsh Government to see investment in the NHS workforce as a benefit to the national economy, alongside health and wellbeing outcomes.**

The NHS in Wales can also help drive economic recovery through its role as an environment in which life sciences research and innovation thrive. Research by KPMG has found that in 2018/19, NHS Wales health research activity supported around 1,600 FTE jobs and £93 million of Gross Value Added (the value generated by any unit engaged in the production of goods and services).^{xiv} CRUK’s report *Creating Time for Research* highlighted the unique environment the NHS provides for health-related research, and outlined the role the cancer workforce plays in clinical research – if given the time.^{xv}

Giving the NHS workforce in Wales the time to undertake clinical research – and unleashing the potential this can have to support economic recovery – relies on an adequately staffed workforce.

- **How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.**

The NHS in Wales has faced enormous and unprecedented challenges due to the COVID-19 pandemic. We know that NHS staff are exhausted after responding to the pandemic, as well as trying to maintain planned services – such as cancer services – including increased infection control measures. Every effort was made to ensure that cancer services were able to continue throughout the pandemic, yet we know that many people affected by cancer have experienced delays and cancellations.

The NHS Cancer Waiting Times data for September 2021 show 59% of patients received their first treatment within 62 days of being suspected of having cancer.^{xvi} This is well below the Suspected Cancer Pathway target of 75%. These worrying statistics tell us patients are waiting far too long for diagnosis and treatment.

The NHS diagnostic and therapy service waiting times for August 2021 show an increase in the number of people waiting over 8 weeks for one of 7 key tests¹ most commonly used to diagnose cancer, compared to pre-pandemic levels. By the end of August 2021, around 10 times more people were waiting over 8 weeks for one of these diagnostic tests compared to before the pandemic.^{xvii}

Whilst recovery from the pandemic needs to be a priority, we know that waiting lists are unlikely to reduce in the coming months. Harnessing innovations will be the best way for cancer services to recover and improve – and investing in new technologies and innovations can help reduce waiting times through reduced workloads.

The strategy must be much more focused on transformation of cancer services for the future, as outcomes were not good enough in Wales before the pandemic. Survival has improved in recent years but more must be done to close international gaps.^{xviii} Funding must accompany this strategy, and the priority must be to boost capacity within the system through investment in the cancer workforce.

The NHS workforce has borne a massive burden through the pandemic, going above and beyond to protect vital cancer and other services. The latest BMA survey of doctors in Wales, England and Northern Ireland found that over half of respondents were suffering from poor mental health such as stress and burnout.^{xix} The NHS has relied on the goodwill of its workforce to keep services running, with over one in four doctors working more than their contracted hours without pay^{xx}.

Workforce shortages in the NHS have had enormous implications for Welsh Government finances. NHS Wales’ spending on agency staff almost trebled from £50 million to £143 million between 2010/11 and 2018/19.^{xxi} This is equal to more than half of HEIW’s £217m annual spend on healthcare education and training,^{xxii} highlighting the inefficiency of the current system where significant resource is spent on outsourcing rather than investing in the long-term growth of the NHS workforce.

Even before the pandemic, Wales was experiencing significant gaps in the diagnostic and cancer workforce, such as in imaging, endoscopy, pathology, and non-surgical oncology. These gaps have

¹ 7 key tests most commonly used in the diagnosis of cancer are Non-Cardiac MRI, Non-Cardiac CT, Non-Obstetric Ultrasound, Colonoscopy, Flexible Sigmoidoscopy, Cystoscopy and Gastroscopy

severely affected its ability to diagnose cancers early, provide the most effective cancer treatment, and improve cancer survival. Unless addressed, these workforce gaps will only be exacerbated:

- The clinical oncology (CO) consultant workforce in England and Wales has grown by 3% per year (on average) over the past five years compared with the average growth of 5% and 6% per year seen in Northern Ireland and Scotland respectively.^{xxiii}
- At regional level, the north of Wales has seen no growth in the CO consultant workforce over the past five years.^{xxiv}
- In 2020 Wales had just 7.8 radiologists per 100,000 compared to a European average of 12.8. Compared to France and Spain, Wales has half the number of radiologists per head of population.^{xxv}
- North and West Wales and the North of Scotland are the UK regions with the fewest CR (clinical radiology) consultants per head of population.^{xxvi}

These shortages have serious consequences for patients. The RCR recently found that 60 per cent of clinical directors believed there were insufficient radiologists to deliver safe and effective patient care in Wales.^{xxvii} As described above, these workforce shortages also have a clear impact on waiting times for patients.

Gaps in the NHS workforce are a fundamental barrier to transforming cancer services and improving cancer survival in Wales, and making the ambitions in the Quality Statement for Cancer a reality. If Wales wants to be able to meet growing demand and achieve world-leading cancer outcomes for cancer patients, then it must invest in the NHS workforce as a matter of urgency. Given the burden of disease, we believe that the diagnostic and cancer workforce need to be at the front of the queue for investment in health services in the Welsh Government Budget 2022-23 and for subsequent years. It is also important to note that the benefits of investing in the diagnostic workforce reach far beyond cancer, with the same expanded capacity supporting more timely diagnosis for a range of other conditions that will require the same diagnostic tests.

The Welsh Government must expand the number of staff in key cancer professions by investing year-on-year in training and employing more cancer staff to fill current vacancies. This would help ensure that the workforce has the capacity to meet increasing demand as well as time to innovate and transform services.

This Welsh Government Budget is an invaluable opportunity to invest in the cancer workforce in Wales for the long-term, to ensure that every cancer patient has access to timely, quality care now and for decades to come. In addition, investing in cancer and early diagnosis can be a driver for change that benefits all NHS patients.

- **Sustainability of public services, innovation and service transformation.**

The pandemic has proven that the NHS is able to adapt and innovate at pace and scale. Innovation holds opportunities to revolutionise the way diagnostic services operate across Wales, consider how we use currently limited workforce capacity to its fullest potential, and put research at the heart of cancer services. As noted above, innovative new technologies and approaches can help ease the pressure on the cancer workforce, for example, by triaging patients or reducing the administrative burden on staff.

In March 2021, the Minister for Health and Social Services published the Quality Statement for cancer alongside the health and care services pandemic recovery plan. The Quality Statement was pitched as

a five-year plan to ‘improve the quality of cancer services and outcomes’.^{xxviii} The principle that a comprehensive national cancer strategy offers an effective way to bring together policies, leadership and resources to transform cancer outcomes is well established internationally. However, the Quality Statement does not include the right level of ambition, vision or detail to make the difference to cancer services that we need to see.

In Wales we are missing opportunities to take up new innovations that could support outcomes. Together with over 20 other cancer charities who make up the Wales Cancer Alliance, we have strongly urged the Welsh Government to produce a more comprehensive cancer strategy.^{xxix} We need to see a plan that is able to realise the potential of cancer innovations – such as the Single Cancer Pathway, an ambitious UK-leading approach to cancer waiting times, and the introduction of Rapid Diagnostic Clinics, which are being rolled out across Wales. Without a funded national plan – including staff, equipment and infrastructure – to bring these innovations to life, the NHS in Wales will be unable to drive transformations in cancer services.

The upcoming Welsh Budget is an opportunity to invest in innovations to transform cancer services for the future, through investing in staff and equipment to make these innovations a reality. Without additional investment in cancer workforce and services, the Welsh Government will not deliver on its aim “to improve population survival and reduce cancer mortality rates” as set out in its Quality Statement for Cancer.^{xxx}

In order to improve outcomes and survival rates for people affected by cancer in Wales over the coming decades, an ambitious, resourced plan that helps to unlock early diagnosis and provide space for treatment innovations to be taken up is vital.

Now is the time for Welsh Government to be ambitious about cancer services, to make the investment needed to build a cancer workforce fit for the future.

For more information and any queries on our submission, please contact Katie Till, Public Affairs Manager on [REDACTED]

ⁱ Welsh Government Budget 2021-22

ⁱⁱ ONS, Mortality statistics - underlying cause, sex and age.

(<https://www.nomisweb.co.uk/query/construct/summary.asp?reset=yes&mode=construct&dataset=161&version=0&anal=1&initset=>)

ⁱⁱⁱ <https://www.cancerresearchuk.org/health-professional/cancer-statistics/incidence/all-cancers-combined#heading-Zero>

^{iv} The International Cancer Benchmarking Partnership: Cancer survival in Australia, Canada, Denmark, Norway, Sweden, and the UK, 1995 – 2007 an analysis of population - based cancer registry data

^v The International Cancer Benchmarking Partnership,

Cancer survival in Australia, Canada, Denmark, Norway, Sweden, and the UK, 1995 - 2007 an analysis of population-based cancer registry data.

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^{vii} <https://phw.nhs.wales/services-and-teams/welsh-cancer-intelligence-and-surveillance-unit-wcisu/cancer-survival-in-wales-2002-2018/>

^{viii} <https://gco.iarc.fr/survival/survmark/index.html>

^{ix} Analysis by Cancer Research UK Cancer Intelligence Team based on Welsh Government Cancer Waiting Times data

^x Welsh NHS Confederation. (2021) Health, wealth and wellbeing: The NHS' role in economic and social recovery.

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Ymateb Ymgynghoriad Chwaraeon Cymru

Cais am wybodaeth - Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2022-23.

Am Chwaraeon Cymru

Chwaraeon Cymru yw'r sefydliad cenedlaethol sy'n gyfrifol am ddatblygu a hyrwyddo chwaraeon a gweithgarwch corfforol yng Nghymru. Rydym yn cefnogi cyflawni blaenoriaethau strategol drwy'r Weledigaeth ar gyfer Chwaraeon yng Nghymru a Strategaeth Chwaraeon Cymru. Rydym yn dosbarthu Cyllid Llywodraeth Cymru a grantiau'r Loteri Genedlaethol gan fuddsoddi mewn chwaraeon elitaidd a llawr gwlad i alluogi chwaraeon yng Nghymru i ffynnu. Rydym eisiau i Gymru fod yn genedl fwy actif ac iachach, gyda chyfleoedd i bawb fod yn actif.

Mae Chwaraeon Cymru yn falch o ymateb i'r ymgynghoriad hwn ynghylch cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2022-23.

Beth, yn eich barn chi, fu effaith cyllideb 2021-22 Llywodraeth Cymru, gan gynnwys cyllid sy'n gysylltiedig â COVID-19?

Ymatebodd Llywodraeth Cymru yn rhagweithiol i effaith Covid-19 ar y sector chwaraeon. Roedd y Pecyn Adfer Chwaraeon ar unwaith yn elfen o gefnogaeth i'w chrosawu ac yn angenrheidiol ac roedd yn galluogi i gyrff rheoli chwaraeon cenedlaethol, partneriaid cenedlaethol, clybiau, gweithwyr llawrydd a darparwyr preifat gael cefnogaeth yr oedd ei gwir angen. Mae'r ymrwymiad i ail Becyn Adfer Chwaraeon o fewn cyllideb 2021-22 wedi sicrhau unwaith eto bod lefel o gefnogaeth sy'n hanfodol i gynnal y sector drwy gyfnod hynod heriol.

Sut ydych chi'n meddwl y dylai blaenoriaethau Llywodraeth Cymru ar gyfer 2022-23 newid i ymateb i COVID-19?

Rydym wedi gweld cyfnod o gyllid gan Lywodraeth Cymru yn ofynnol i ddiogelu goroesiad y sector chwaraeon yn unig. Nid ydym eto wedi cyrraedd y pwynt lle gallwn ddweud bod hyn wedi'i gyflawni. Mae heriau amrywiol yn wynebu'r sector o hyd o ran y gallu parhaus i ddarparu cyfleoedd i gymryd rhan. Bydd y rhain yn amrywio ar sail natur y darparwr, y gamp a'r sefydliad, ac yn sicr maent yn parhau'n amlwg yn y sector ymddiriedolaethau ac awdurdodau lleol gydag angen cydnabyddedig am fuddsoddi mewn cyfleusterau. Mae Community Leisure UK wedi adrodd bod ymddiriedolaethau hamdden a diwylliant, erbyn Ionawr 2021, â dim ond 30% o'u lefelau wrth gefn cyn Covid ar ôl ar gyfartaledd a'u bod wedi ysgwyddo diffyg o £2 miliwn ar gyfartaledd fesul sefydliad. Bydd gwaddol yr heriau hyn yn parhau i fod yn fater brys wrth symud ymlaen.

Mae'r materion ehangach sy'n ymwneud â buddsoddiad cyfalaf i ddarparu cyfleusterau o ansawdd uchel yn parhau i fod yn ymrwymiad tymor hir a ddylai ddylanwadu ar yr ystyriaethau ariannol i Lywodraeth Cymru. Mae rhai o'r rhain wedi'u hamlinellu eisoes yn y Rhaglen Lywodraethu, fel;

- Buddsoddi yn ein cyfleusterau chwaraeon o safon byd.
- Buddsoddi mewn cyfleusterau newydd fel caeau 3G.
- Buddsoddi mewn opsiynau teithio sy'n annog trafniadaeth gyhoeddus ac yn cefnogi cerdded a beicio.

Bydd hwn nid yn unig yn fuddsoddiad sy'n cefnogi'r cyfleoedd ar gyfer darpariaeth ond hefyd gall chwarae rôl lawer mwy effeithiol wrth gyflawni yn erbyn agendâu cymdeithasol, addysgol ac iechyd wrth i ni ddod allan o anterth cyfnod y pandemig. Hefyd bydd buddsoddiad cyfalaf, drwy ddatblygu'r llwybr athletwyr, yn helpu i gynorthwyo gyda'r agenda perfformiad uchel.

At hynny, gall datblygu cyfleusterau newydd a gwella'r rhai sydd eisoes yn bodoli gyfrannu'n sylweddol at yr agenda cynaliadwyedd drwy sefydlu darpariaeth chwaraeon werdd sy'n fwy effeithlon o ran ynni. Mae cyfle i ddefnyddio cyllid cyfalaf i ehangu trefniadau i greu neu wella gofod gwyrdd yn sylweddol, gan wneud ein dinasoedd, ein trefi a'n pentrefi yn llefydd gwell fyth i fyw a gweithio ynddynt, a all, yn ei dro, gyfrannu at alluogi i'n diwydiannau twristiaeth, chwaraeon a'r celfyddydau ffynnu.

Y tu hwnt i'r dull seilwaith cyfalaf o weithredu, y dysgu allweddol o'r pandemig yw'r angen am sicrhau bod ein gwasanaethau cyhoeddus yn rhan o ddull ataliol o weithredu tuag at iechyd gan osod cydlyniant cymdeithasol wrth galon yr agenda. Mae buddsoddi mewn darpariaeth gweithgarwch corfforol drwy chwaraeon, a thrwy bortffolios eraill, yn hanfodol nid yn unig o ran sicrhau newid yn y dull cyllido tuag at ganlyniadau ataliol, tymor hir a chynaliadwy, ond hefyd o ran cynyddu'r flaenoriaeth i les y genedl.

Mae gan Chwaraeon Cymru, a chwaraeon yng Nghymru, stori bwerus i'w hadrodd o ran cefnogi canlyniadau addysgol ac ymgysylltu. Yn fwy na hynny, mae gwaith sy'n datblygu'n creu graddfa a chwmpas ar gyfer ehangu cynnar. Gallwn greu cynnig gwell i bobl ifanc. O fewn yr agwedd hon ar waith Chwaraeon Cymru y gallwn wneud cynnydd yn erbyn Nodau Llesiant Cenedlaethau'r Dyfodol a [chonfensiwn y Cenedloedd Unedig ar hawliau'r plentyn](#). Mae'r enghreifftiau rhyngwladol o'r llwyddiant hwn, fel [hawliau Norwyaid y plentyn](#), yn enghraifft gadarnhaol o sut gall chwaraeon osod datblygu pobl ifanc wrth galon ei agenda.

Mae cyfle gwirioneddol i arwain ymhellach wrth gefnogi'r proffesiwn addysgu tuag at weithredu'r cwricwlwm newydd, sy'n rhan o'r gwaith addysg actif mae Chwaraeon Cymru wedi bod yn cefnogi Llywodraeth Cymru i'w gyflwyno. Yn yr un modd mae ein partneriaethau mewn Addysg Uwch drwy Athrofa Cymru ar gyfer Gweithgarwch Corfforol, Iechyd a Chwaraeon Cymru (WIPAHS) wedi dod ag ymchwil academaidd a datblygu polisi at ei gilydd er budd elitaidd a chymunedol.

Hefyd, ar hyn o bryd, mae bron i 6,000 o Lysgenhadon Ifanc mewn ysgolion, colegau a phrifysgolion ledled Cymru. Mae 19,000 o Lysgenhadon Ifanc wedi cymryd rhan yn y rhaglen yn ystod ei 10 mlynedd. Mewn arolwg o Lysgenhadon Ifanc Cymru, dywedodd 96% ohonynt bod y rhaglen wedi rhoi mwy o hyder iddynt, tra bo 98% yn teimlo ei bod wedi gwella eu sgiliau arwain. Gallwn adeiladu ar y gwaith a chreu gweithlu yn y dyfodol gyda sgiliau sydd wedi'u datblygu drwy ymgysylltu cymdeithasol a gwirfoddoli sy'n gwella nid yn unig y sector chwaraeon, ond addysg a chyflogadwyedd ar draws meysydd eraill.

Gyda ffocws ymroddedig, gallai dylanwad chwaraeon dreiddio i bob lleoliad addysg yng Nghymru. Gan weithio gyda'r sector addysg, mae lle i ddechrau ail-lunio'r diwrnod ysgol gyda darpariaeth well, gan greu cyfoethogi i bawb drwy becyn chwaraeon a diwylliannol. Mae cynllun pilot yn cael ei ystyried yn seiliedig ar yr egwyddor o hybiau ysgol cymunedol yn creu cymunedau gwytnach a mwy cysylltiedig.

Pa mor barod yn ariannol yw eich sefydliad ar gyfer blwyddyn ariannol 2022-23, a sut y gall y gyllideb roi mwy o sicrwydd ichi wrth gynllunio a rheoli cyllidebau o ystyried yr anwadalrwydd a'r ansicrwydd parhaus?

Un budd sylweddol o ran rheoli ansicrwydd fyddai'r gallu i nodi cyllidebau dangosol ar gyfer blynyddoedd i ddod er mwyn cynorthwyo cynllunio, mwy o hyblygrwydd gan gynnwys cario drosodd (gallai'r cyfyngiadau yn ystod y flwyddyn cyfredol rwystro arloesedd), cynnydd yn y costau gweithredu a ganiateir, yn ogystal â chaniatáu mwy o fuddsoddiad cyfalaf yn ein cyfleusterau chwaraeon ein hunain i gefnogi'r sector (wedi'i gyfyngu ar hyn o bryd i 10% o'r gyllideb gyfalaf).

Nid yn unig y byddai'r materion hyn o gymorth i Chwaraeon Cymru fel sefydliad, ond hefyd i'r partneriaid a gyllidir ar draws y dirwedd chwaraeon yr ydym yn gweithio â hwy, oherwydd gallai'r dull hwn gael ei raeadru ar i lawr.

Hoffai'r Pwyllgor ganolbwyntio ar nifer o feysydd penodol wrth graffu ar y gyllideb. A oes gennych chi unrhyw sylwadau penodol ar unrhyw un o'r meysydd a nodir isod, yn enwedig yng ngoleuni'r sefyllfa COVID-19 a sut y dylid adlewyrchu'r rhain yn y Gyllideb ar gyfer 2022-23?

– Sut y dylid targedu adnoddau i gefnogi adferiad economaidd a pha sectorau yn benodol y mae angen eu blaenoriaethu.

Amlygodd yr adroddiad Gwerth Economaidd Chwaraeon a luniwyd gan Chwaraeon Cymru ar y cyd â Chanolfan Ymchwil y Diwydiant Chwaraeon ym Mhrifysgol Sheffield Hallam bod chwaraeon wedi dioddef llawer mwy na'r sector economaidd yn gyffredinol. Yn 2020, roedd y dirywiad mewn allbwn chwaraeon ddwywaith cymaint â'r dirywiad disgwylidiedig ar gyfer yr economi. Mae'r rhan o wariant defnyddwyr sy'n gysylltiedig â chwaraeon yn debygol o fod wedi dirywio fwy fyth. Amcangyfrifwyd bod gwariant chwaraeon GVA a defnyddwyr wedi gostwng 20% a 24% yn gyfatebol. O gymharu, amcangyfrifwyd bod yr economi gyffredinol (DU-2020) yn ystod y cyfnod y cynhaliwyd yr astudiaeth wedi gostwng 10%. Mae'n briodol, mewn ymateb i'r adroddiad hwn a phryderon y sector chwaraeon, bod Llywodraeth Cymru wedi buddsoddi mewn cefnogaeth drwy'r pecyn Adfer Chwaraeon.

Er bod yr effaith ar y sector chwaraeon wedi bod yn ddramatig, mae hefyd yn ddiwydiant economaidd yng Nghymru sydd â gwerth sylweddol. Roedd chwaraeon yn ddiwydiant twf yng Nghymru cyn y pandemig gydag amcangyfrif o GVA cysylltiedig â chwaraeon o £1,195m yn 2019 (i fyny 5% o gymharu â 2016), gwariant defnyddwyr ar chwaraeon yn werth £1,260m (i fyny 7% o gymharu â 2016) ac yn cyfrif am 31,100 o swyddi cyfwerth ag amser llawn (i fyny 5% o gymharu â 2016). Hefyd, mae cysylltiadau chwaraeon â sectorau eraill (a ddangosir drwy luosyddion uchel) yn awgrymu y gellir defnyddio chwaraeon i adfer yr economi ac yn enwedig cyflogaeth (er enghraifft, byddai galw uwch am chwaraeon yn awgrymu effeithiau cryf ym maes llety, bwyd a diod ac adeiladu). Felly, mae targedu cefnogaeth ar gyfer adferiad economaidd y sector chwaraeon yn gwella economi ehangach Cymru.

– Polisiâu Llywodraeth Cymru i leihau tldi ac anghydraddoldeb rhwng y rhywiau.

Mae strategaeth Chwaraeon Cymru yn cael ei sbarduno gan ddull sy'n canolbwyntio ar yr unigolyn o weithredu gyda chydaddoldeb, amrywiaeth a chynwysoldeb, sy'n cefnogi egwyddorion cyffredinol y Rhaglen Lywodraethu. Ailwampwyd holl natur ein dull cyllido i ysgogi gweithredu yn benodol yn y sector i hyrwyddo cyfle cyfartal yn rhagweithiol. Mae gwrando ar brofiadau byw lleiafrifoedd heb gynrychiolaeth ddigonol yn nodwedd allweddol o waith Chwaraeon Cymru yn y dyfodol.

Mae'n gwbl briodol y dylid canolbwyntio cyllidebau Llywodraeth Cymru yn y dyfodol ar yr egwyddorion allweddol o leihau tlodi ac anghydraddoldeb rhwng y rhywiau, ond dylai hon fod yn fenter ehangach gan gynnwys elfennau eraill o gydraddoldeb, amrywiaeth a chynhwysiant, fel hil.

– Y dull gweithredu o ran gwariant ataliol, a sut y cynrychiolir hyn wrth ddyrannu adnoddau (Gwariant ataliol = gwariant sy'n canolbwyntio ar atal problemau a lliniaru'r galw am wasanaethau yn y dyfodol, drwy ymyrryd yn gynnar).

Fel y nodwyd yn flaenorol yn ein cyflwyniad, mae symud tuag at ddull ataliol o gyllido yn gwbl hanfodol i feithrin gwytnwch Cymru. Rydym yn credu'n gryf bod buddsoddi mewn darparu gweithgarwch corfforol drwy chwaraeon, a thrwy bortffolios eraill, yn hanfodol nid yn unig o ran sicrhau newid yn y dull cyllido tuag at ganlyniadau ataliol, tymor hir a chynaliadwy, ond hefyd o ran cynyddu blaenoriaeth i les y genedl.

Mae angen ariannol i wneud hyn hefyd. Rydym yn gwybod drwy'r astudiaeth Elw Cymdeithasol ar Fuddsoddiad a gynhaliwyd gan Brifysgol Sheffield Hallam a gomisiynwyd yn flaenorol gan Chwaraeon Cymru bod manteision sylweddol i'r pwrs cyhoeddus o ymgymryd â dull ataliol. Er enghraifft, mae elw cydnabyddedig ar fuddsoddiad i'r sector iechyd o £295m drwy gyfraniadau fel iechyd meddwl mwy positif a llai o risg o ddiabetes, clefyd coronaidd y galon a chanser o chwaraeon. Felly byddai'r buddsoddiadau hyn mewn dull ataliol o ymdrin â chyllidebau iechyd nid yn unig yn cynorthwyo i greu cenedl iachach, ond hefyd yn profi'n fanteisiol yn ariannol yn y tymor hir.

– Beth yw'r cyfleoedd allweddol i fuddsoddiad y Llywodraeth gefnogi 'ailgodi'n gryfach' (h.y. cefnogi economi a gwasanaethau cyhoeddus sy'n cyflawni'n well yn erbyn y nodau llesiant yn Neddf Llesiant Cenedlaethau'r Dyfodol).

Mae gwaith Chwaraeon Cymru yn cael ei sbarduno'n llwyr gan ei strategaeth. Mae'r strategaeth yn canolbwyntio'n feiddgar ac yn gyson ar fynd i'r afael â'r anghydraddoldeb yng nghymdeithas Cymru ac mae Deddf Llesiant Cenedlaethau'r Dyfodol yn sail bwrpasol iddi. Mae'r gwaith yn seiliedig ar chwe bwriad strategol clir.

1. Bod yn berson-ganolog: *Mae anghenion a chymhellion yr unigolyn yn arwain y ddarpariaeth, wrth ddechrau arni, anelu am gynydd neu geisio rhagoriaeth ar lwyfan y byd.*

2. Rhoi cychwyn gwych i bob person ifanc: *Mae gan bob person ifanc y sgiliau, yr hyder a'r cymhelliant i'w galluogi i fwynhau a gwneud cynnydd drwy chwaraeon; gan roi sylfeini iddynt i fyw bywyd actif, iach a chyfoethog.*

3. Sicrhau bod pawb yn cael cyfle i fod yn actif drwy chwaraeon: *Mae chwaraeon yn gynhwysol ac yn darparu profiad gwych i bawb.*

4. Dod â phobl at ei gilydd yn y tymor hir: *Mae sector chwaraeon cydweithredol, cynaliadwy a llwyddiannus yn cael ei arwain gan wybodaeth a dysgu ar y cyd.*

5. Arddangos manteision chwaraeon: *Mae tystiolaeth o effaith chwaraeon, ac mae cyrhaeddiad chwaraeon yn cael ei ddeall, ei werthfawrogi, ei arddangos a'i ddathlu'n llawn ledled Cymru.*

6. Bod yn sefydliad sy'n cael ei werthfawrogi'n fawr: Mae Chwaraeon Cymru yn sefydliad uchel ei barch, sy'n ymdrechu i orgyflawni drwy ddarparu gwasanaeth o'r safon uchaf drwy ein staff gwerthfawr.

Rydym yn credu bod yr egwyddorion hyn yn fodel ar gyfer canolbwyntio gwaith ar les y genedl, a gall chwaraeon fod yn sbardun hanfodol i'r cyfleoedd i wneud hynny wrth adeiladu'n ôl yn well. Mae buddsoddi mewn darpariaeth gweithgarwch corfforol drwy chwaraeon, a thrwy bortffolios eraill, yn allweddol nid yn unig o ran sicrhau newid yn y dull cyllido tuag at ganlyniadau ataliol, tymor hir a chynaliadwy, ond hefyd o ran cynyddu'r flaenoriaeth i les y genedl.

Fel y dangosir gan [ddull Seland Newydd](#), gall sefydlu lles fel arwydd cenedlaethol o lwyddiant sicrhau gweithredu ar y cyd. Mae'r newid hwn yn canolbwyntio ar feithrin Cymru wydn sy'n gallu parhau i ddod allan o'r pandemig mewn ffordd wahanol, arloesol a rhagweithiol, yn hytrach na dim ond drwy ymateb i'r heriau mae wedi'u cyflwyno. Cadarnhaodd astudiaeth yn 2018, a gynhaliwyd gan Brifysgol Sheffield Hallam, bod chwaraeon yn cyfrannu £3.428 biliwn mewn elw cymdeithasol ar fuddsoddiad i Gymru, gan gynnwys £295.17m mewn allbynnau iechyd yn unig. Gyda phob £1 sy'n cael ei buddsoddi mewn chwaraeon mae elw o £2.88, gan greu gwerth cymdeithasol ac economaidd i Gymru.

Mae Llywodraeth Cymru wedi bod yn gefnogol i'r egwyddorion hyn ac rydym yn parhau i anelu at weithio gyda hwy i edrych ar sut gall effaith gynyddol chwaraeon arwain at gynhyrchiant economaidd parhaus, tra bo buddsoddiad mewn chwaraeon yn cael ei weld drwy brism ei fanteision iechyd, addysg a chymdeithasol ehangach.

Gohebiaeth i: policy.info@sport.wales

Chwaraeon Cymru, Gerddi Sophia, Caerdydd, CF11 9SW

Sport Wales Consultation Response

A call for information – Welsh Government Draft Budget proposals for 2022-23.

About Sport Wales

Sport Wales is the national organisation responsible for developing and promoting sport and physical activity in Wales. We support the delivery of strategic priorities through the Vision for Sport in Wales and the Sport Wales Strategy. We distribute Welsh Government Funding and National Lottery grants; investing in elite and grassroots sport to enable sport in Wales to thrive. We want Wales to be a more active, healthier nation, with opportunities for everyone to be active.

Sport Wales is pleased to respond to this consultation regarding Welsh Government Draft Budget proposals for 2022-23.

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

The Welsh Government responded proactively to the impact of Covid-19 on the sport sector. The immediate Sport Recovery Package was a welcome and necessary element of support that allowed national governing bodies of sport, national partners, clubs, freelancers and private providers to access much needed support. The commitment to a second Sport Recovery Package within the 2021-22 budget has again ensured there is a level of support critical to seeing the sector through a hugely challenging time.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

We have seen a period of Welsh Government funding being required to simply safeguard the survival of the sport sector. We have not yet reached the point where we can say this has been delivered. There remains a variety of challenges facing the sector in terms of the continued ability to provide opportunities for participation. These will vary based on the nature of the deliverer, sport and organisation, and certainly they remain pronounced amongst the local authority and trust sector with a recognised need to invest in facilities. Community leisure UK previously reported that by January 2021, leisure and culture trusts had, on average, only 30% of their pre-Covid reserve levels left and had incurred an average £2million deficit per organisation. The legacy of these challenges will remain an immediate issue moving forward.

The wider issues of capital investment into the provision of high-quality facilities remains a long-term commitment that should shape the financial considerations for the Welsh Government. Some of these have already been outlined within the programme for Government, such as;

- *Investing in our world-class sports facilities.*
- *Investing in new facilities such as 3G pitches.*
- *Investing in travel options that encourage public transport and support walking and cycling.*

This will not only be an investment that supports the opportunities for provision but can also have a much more impactful role in delivering against social, educational and health agendas as we emerge from the peak of the pandemic period. Capital investment, through the athlete pathway development, will also help aid the high-performance agenda.

Furthermore, the development of new facilities and improvement to those already in existence, can contribute significantly to the sustainability agenda through establishing more energy efficient and green sport provision. There is an opportunity to utilise capital funding to expand arrangements to create or significantly enhance green spaces, making our cities, towns and villages even better places in which to live and work, which in turn can contribute to enabling our tourism, sports, and arts industries to thrive.

Outside of the capital infrastructure approach the key learning from the pandemic is the need to ensure that our public services are part of a preventative approach to health and place social cohesion at the heart of the agenda. Investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

Sport Wales, and sport in Wales, has a powerful story to tell where supporting educational outcomes and engagement is concerned. What is more, developing work is creating a scale and scope for early expansion. We can create an enhanced offer to young people. It is within this aspect of Sport Wales' work that we can make progress against both the Future Generations Wellbeing Goals and the [UN convention on the rights of the child](#). The international examples of this success, such as the [Norwegian rights of the child](#), are a positive example of how sport can put developing young people at the heart of its agenda.

There is a real opportunity to further lead in supporting the teaching profession towards implementation of the new curriculum, which is forming part of the active education setting work Sport Wales has been supporting the Welsh Government to deliver. Equally our partnerships in Higher Education through the Welsh Institute of Physical Activity, Health and Sport (WIPAHS) have brought academic research and policy development together for elite and community benefit.

Furthermore, currently, there are almost 6,000 Young Ambassadors in schools, colleges and universities across Wales. 19,000 Young Ambassadors have taken part in the programme across its 10-year history. In a survey of Welsh Young Ambassadors, 96% of them said that the programme had given them more confidence, while 98% felt it had improved their leadership skills. We can build on the work and create a future workforce with skills developed through social engagement and volunteering that enhances not only the sport sector, but education and employability across other areas.

With a committed focus, sport's influence could be in every education setting in Wales. Working with the education sector there is the scope to begin reimagining the school day with an enhanced offer, creating an enrichment for all approach through a sport and cultural package. A piloted scheme is being explored around the principle of community school hubs creating more resilient and connected communities.

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

A significant benefit to managing uncertainty would be the ability to identify indicative budgets for future years in order to aid planning, increased flexibility including carry over (current in-year constraints potentially stifle innovation), an increase in the permissible running costs, as well as allowing more capital investment in our own sporting facilities to support the sector (currently limited to 10% of capital budget).

Not only would these issues aid Sport Wales as an organisation, but equally those funded partners across the sporting landscape we work with as this approach could be cascaded downwards.

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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The Economic Value of Sport report undertaken by Sport Wales in conjunction with the Sport Industry Research Centre at Sheffield Hallam university highlighted that sport has suffered much more than the average economic sector. In 2020, the decline in sport output was twice as great as the expected decline for the economy. The part of consumer spending related to sport is likely to have declined ever more. Sport GVA and consumer spending was estimated to have declined by 20% and 24% correspondingly. By comparison, the overall economy (UK- 2020) during the period the study was conducted was estimated to have declined by 10%. It is correct that in response to this report and the concerns of the sport sector the Welsh Government invested in support via the Sport Recovery package.

Whilst the impact on the sport sector has been dramatic, it is also an economic industry in Wales that holds significant value. Sport was a growth industry for Wales prior to the pandemic with sport-related GVA estimated at £1,195m in 2019 (up 5% on 2016), consumer spend on sport valued at £1,260m (up 7% on 2016) and accounting for 31,100 full time equivalent jobs (up 5% on 2016). Furthermore, sport's links with other sectors (shown through high multipliers) imply that sport can be used to restore the economy and especially employment (for example higher demand for sport would imply strong effects in accommodation, food and drink and construction). Therefore, targeting support for the economic recovery of the sport sector enhances the wider Welsh economy.

Welsh Government policies to reduce poverty and gender inequality.

The Sport Wales strategy is driven by a person-centred approach to equality, diversity and inclusivity supporting the overarching principles of the Programme for Government. The entire nature of our funding approach has been revamped to specifically drive action within the sector to proactively promoting equality of opportunity. Listening to the lived experiences of underrepresented minorities is a key feature of Sport Wales' future work.

It is absolutely correct that future Welsh Government budgets should be focused on the key principles of reducing poverty and gender inequality, however this should be a broader initiative including other elements of equality, diversity and inclusion such as race.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

As noted previously in our submission, a shift towards a preventative approach to funding is absolutely crucial to building the resilience of Wales. We strongly believe that investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

There is also a financial need to do this. We know through the Social Return on Investment study undertaken by Sheffield Hallam University that Sport Wales commissioned previously that there are significant benefits to the public purse to undertake a preventative approach. For example, there is a recognised return on investment to the health sector of £295m through contributions such as increased positive mental health and reduced risk of diabetes, coronary heart disease and cancer from sport. These investments in a preventative approach to health budgets would therefore not only assist in creating a healthier nation (in line with A Healthier Wales), but also prove financially compelling in the long-term.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

Sport Wales's work is entirely driven by its [strategy](#). The strategy is unashamedly and relentlessly focused on tackling the inequalities in Welsh society and is purposefully underpinned by the Well-being of Future Generations Act. The work is based on six clear strategic intents.

- 1. To be person centred:** The needs and motivations of the individual lead the delivery, whether just starting out, aiming to progress or striving for excellence on the world stage.
- 2. To give every young person a great start:** Every young person has the skills, confidence and motivation to enable them to enjoy and progress through sport; giving them foundations to lead an active, healthy and enriched life.
- 3. To ensure everyone has the opportunity to be active through sport:** Sport is inclusive and provides a great experience for all.
- 4. To bring people together for the long-term:** There is a collaborative, sustainable and successful sports sector, led by collective insight and learning.
- 5. To showcase the benefits of sport:** The impact of sport is evidenced, and sport's reach is fully understood, valued, showcased and celebrated throughout Wales.
- 6. To be a highly valued organisation:** Sport Wales is a respected organisation, striving to over achieve by delivering a first class service through our valued staff.

We believe that these principles are a model for focusing work on the nation's wellbeing, and sport can be a critical driver for the opportunities to do so in building back better. Investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

As shown by the [New Zealand approach](#), establishing wellbeing as a national marker for success can ensure collective action. This shift is focused on building a resilient Wales capable of continuing to emerge from the pandemic in a different, innovative and proactive way, rather than one simply reacting to the challenges it has presented. The 2018 study, undertaken by Sheffield Hallam University, confirmed that sport contributes £3.428bn in social return on investment to Wales, including £295.17m in health outputs alone. With every £1 invested in sport there is a £2.88 return, both creating social and economic value for Wales.

The Welsh Government have been supportive in these principles and we continue to aim to work with them to explore at how the amplifier effect of sport can lead to sustained economic productivity, whilst investment in sport can be seen through the prism of its wider health, education and societal benefits.

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26.11.2021



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26 November 2021

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Dear Sir/Madam,

Response to: Welsh Government Draft Budget 2022-23

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 26,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,300 members. The Institute seeks to advance the science and art of planning, working for the long-term common good and well-being of current and future generations. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

Thank you for the opportunity to respond to the above Inquiry.

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The pandemic has had a significant impact on all our lives and the economy. Whilst there are many uncertainties around how we will emerge from the pandemic, it is likely that many of the issues which Wales already faced will continue and even be compounded.

Areas of Wales have traditionally faced complex place-based issues, including a decline in economic growth, changes in our high streets, poverty and inequality, the delivery of quality

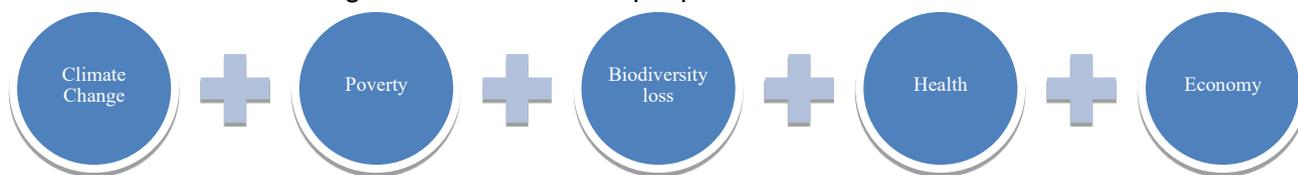
housing in the right locations and the resilience of Wales is frequently tested by severe weather events. The role of planning is to look to the long term and act in the long-term public interest, making a balance between competing interests and setting the framework and decisions for a sustainable future.

The Welsh Government's [Building Better Places Guide](#) puts planning and planners at the centre of responding to the recovery.

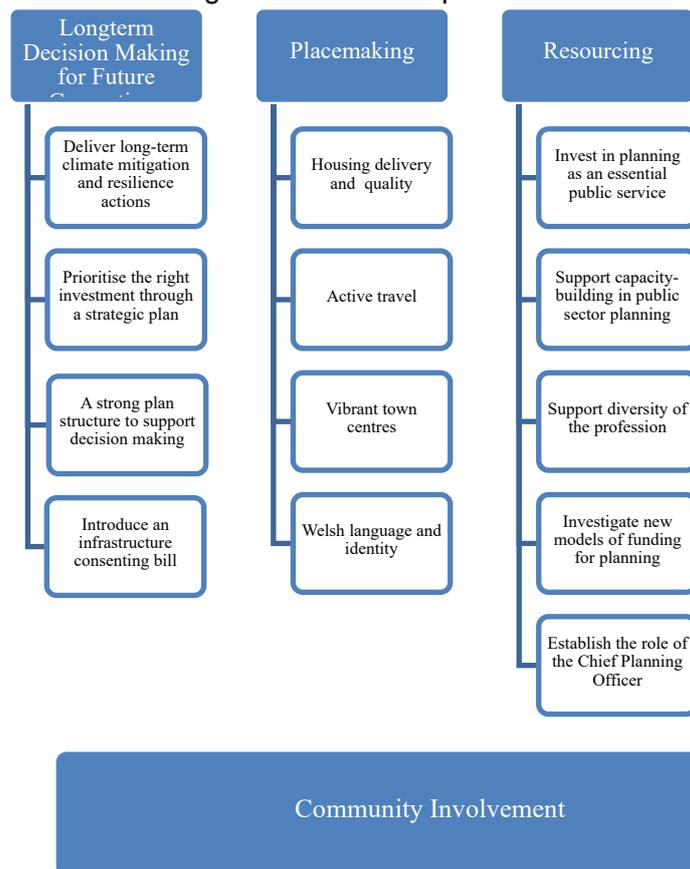
“Planners have a forward looking and key, co-ordinating role. This is not just about the statutory functions of local planning authorities. Planners’ skills mean that they can be proactive at the implementation of policies to aid in the recovery period, identifying opportunities, and bringing people together. Planners are uniquely placed to think systemically and work strategically, to shape the vision for better places and lead positive change.”

The planning system sets the context for development and creates the enabling conditions for a sustainable and healthy built environment. Planning shapes the environments where people work, live, learn and interact. Through strategic spatial planning, the system can ensure that all residents and businesses have a good level of access to services and infrastructure, resources are appropriately accounted for in development decisions, and that new developments make efficient use of resources and technologies. Planning can also address potential negative impacts of development which can be harmful to human health.

Wales' current and future generations face multiple place based and interrelated issues.



Planning services can be positioned to enable the solutions.



While planning offers an established and effective process to facilitate a sustainable future for Wales, it needs to be invested in and strengthened to be able to deliver expectations. In 2019 the Auditor General concluded that: “Planning Authorities are not resilient enough to deliver long term improvements because of their limited capacity.” The RTPI and other stakeholders have long called for the adequate resourcing of the planning system in order for it to achieve its full potential in addressing the complex and challenging issues it faces and this is even more relevant as we emerge from the pandemic and work towards meeting challenging environmental targets.

Financial support to increase the number of public sector planners employed, funding for specialist knowledge and investing in efficiency-saving digital technologies can help support a stronger, proactive and strategic planning system.

A well-resourced, plan-led, positive planning service can deliver corporate objectives, which, if properly encouraged and effectively organised can bring together objectives across services and help achieve local and national sustainable development and climate action goals.

Local authority corporate management teams provide leadership, vision and priority setting for areas, by shaping the strategic operational direction and investment decisions of local authorities. The implications of these corporate decisions on new investment, infrastructure, development activity, local services and policy delivery are significant, particularly at this time. The RTPI believes that making the role of the Chief Planning Officers a more prominent and strategic position within local authorities would positively influence the outcomes of planning and support good growth and a balanced recovery.

Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

No comment

Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

No comment

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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The Welsh Government's [Building Better Places Guide](#) puts planning and planners at the centre of responding to the recovery.

See above in relation to the leading role planning plays in supporting economic recovery.

– To what extent alleviating climate change should be prioritised in supporting economic recovery

It is vital that our initial response to the pandemic does not overlook existing good work and that we retain quality and standards in the short term, for long term benefits. Wales' environment and its natural resources are one of its particular strengths and even economic advantages.

Planning that protects natural environments, safeguarding the landscapes and places we will value in the future must be supported and balanced against social, economic, environmental and cultural factors. Investing in resilience measures will reduce costs in the long term by reducing the impact of flooding, drought and other climate change impacts.

– How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

See above in relation to the planning sector

– Welsh Government policies to reduce poverty and gender inequality.

No comment

– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Investment in planning services can return dividends by directing investment spatially. Planning can drive development outcomes by creating efficient spaces and safeguarding critical resources. The planning system shapes the built and natural environments where people work, live and interact. Through strategic spatial planning, the system can ensure that all residents and businesses have a good level of access to services and infrastructure, resources are appropriately accounted for in development decisions, and that new developments make efficient use of resources and technologies. Planning can also address potential negative impacts of development which can be harmful to human health.

– Sustainability of public services, innovation and service transformation.

No comment

– How evidence is driving Welsh Government priority setting and budget allocations.

No comment

– How the Welsh Government should use taxation powers and borrowing.

No comment

– What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

No comment

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

In 2020 building on the RTPI's Plan the world we need, we published a paper on [Plan the Wales we Need](#). The paper examines how planning can contribute to calls for a sustainable, resilient and inclusive recovery from the current health and economic crisis in Wales and sets out our views on the key opportunities for investment to support 'building back better'. These are summarised below:

- Deliver long-term climate mitigation and resilience actions, including biodiversity enhancement;
- Invest in and seize the opportunities from Future Wales – the National Plan 2040 to prioritise the right investment decisions;
- Support and use the hierarchy of plans to make long-term decisions, including supporting the delivery of Strategic Development Plans;
- Introduce the Infrastructure Consenting Bill;
- Support and invest in the delivery of quality homes in the right places across Wales;
- Enable the delivery of active travel;
- Support the delivery of vibrant town centres;

- Invest in planning as an essential public service.

Our comprehensive report into the business case for investing in planning – Invest and Prosper - can be viewed here: www.rtpi.org.uk/research/2020/october/invest-and-prosper/#_Toc52359878

If you require further assistance, please contact RTPI Cymru on 020 7929 8197 or e-mail Roisin Willmott at walespolicy@rtpi.org.uk

Yours sincerely,



Dr Roisin Willmott OBE FRTPi

Director
RTPI Cymru

Wales Co-operative Centre Response



Wales Co-operative Centre Canolfan Cydweithredol Cymru

About the Wales Co-operative Centre

The Wales Co-operative Centre is a not-for-profit co-operative organisation that supports people in Wales to improve their lives and livelihoods. We are working for a fairer economy. We help to create and retain wealth within our communities through the growth of co-operatives and social businesses and by providing people with the skills to take more control of their own lives and strengthen their communities.

Our projects are as follows:

- Social Business Wales provides intensive, one-to-one support to new start social businesses as well as those which have ambitions to grow and a viable business proposal.
- Digital Communities Wales: Digital Confidence, Health and Well-being works with organisations across Wales, in order to help people increase their confidence using digital technology so they can improve and manage their health and well-being.
- Our Communities Creating Homes project offers support and advice to new and existing organisations looking to develop co-operative community-led housing schemes in Wales.
- Community Shares Wales Resilience Project is funded by the National Lottery Community Fund and delivered by the Wales Co-operative Centre. We help communities raise investment to protect and strengthen the things that matter to them, such as pubs, libraries or other local services.

Consultation Questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

During the Coronavirus pandemic, the digital divide has been exacerbated, and it has been more important than ever for people to be able to get online. Welsh Government funding has been vital in supporting thousands of people with vital digital skills and equipment during the Covid 19 pandemic. The Digital Communities Wales programme, delivered by the Wales Co-operative Centre and funded by the Welsh Government, delivered a range of

services in 2020-21 that have a huge impact on people's lives, including providing 1,288 digital devices to care homes, sheltered housing schemes and hospices, training 2,491 staff and volunteers to gain digital skills, and supporting 39,035 people to get online, and this work continues into the next year. Digital is transforming every facet of normal daily life from staying in touch with friends and family to accessing essential goods and services. Being able to get online in a confident and safe manner is more important than ever and will only get more important.

Financial support provided by Welsh Government through the Economic Resilience Fund and the Third Sector Resilience Fund has been crucial in supporting social enterprises to stay open and continue their important work. The Economic Resilience Funding has supported 72 social enterprises or charities to a value of nearly £1.5million to date, which has been an essential lifeline for these businesses. With EU and Welsh Government funding, the Social Business Wales programme delivered over 8500 hours of business support and over 100 new social businesses were incorporated during the year 2020-21, and this work has continued in 2021-22. Social businesses themselves have identified the importance of this support, and an independent evaluation of Social Business Wales has highlighted an "ongoing need for specialised support for the social business sector, recognising the multi-stakeholder environments and specific legal, constitutional and financial arrangements that have wide-reaching implications for the successful operational of social businesses".

Since Covid-19 there has been a commitment from the Welsh Government to refocus the priorities of its economic development policies towards well-being, resilience and social value. We welcome this policy direction and the budget decisions that have been taken to support this.

Welsh Government funding is also helping provide specialist support to facilitate co-operative and community-led models across several sectors. These models play a vital role in approaches to community wealth building, sustainability and well-being. Our Communities Creating Homes project, funded by The Nationwide Foundation and Welsh Government, assisted 50 groups and organisations to develop community-led housing projects. Employee Ownership Wales, part of the Social Business Wales programme funded by Welsh Government and the European Regional Development Fund, has converted 5 businesses to the employee ownership model in 2020-21, and will play a key role in achieving the Welsh Government's objective to double the number of employee-owned businesses in Wales by 2026.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

An important context for this discussion is the end of European funding, and its impact on the ability of the third sector in Wales to continue to meet the needs of our diverse communities. While of course we recognise that many of the financial levers reside with UK Government in terms of a future Shared Prosperity Fund, there is a significant role for Welsh Government to play in working with the sector. Some third sector organisations in Wales deliver large scale projects to individuals and communities across the country with the support of ESF or ERDF funding. These programmes meet essential needs for many and

address some of our most difficult issues as a nation including structural inequalities. Much of the funding is currently due to end between now and 2023, with the inevitable loss of capacity and expertise from our sector during that period. There has been significant demand for our services during the pandemic, due to the unequal impact of Covid on different groups, individuals, and sectors. Now, when it is most important to get individuals, communities and businesses back on their feet to support our social and economic recovery, it is vital that funding is found to continue to support these crucial services.

Covid-19 has exacerbated existing inequalities and exposed the lack of resilience in our economic system. At the same time, it has shone a light on the vital work that is done by communities, co-operative models and social enterprises in addressing social problems. We believe that the Welsh Government should now prioritise supporting existing groups and organisations to grow and expand what they do. In the context of the challenges of the future, particularly the impact of climate change, we believe that radical change is needed in the way we do things, from public services to models of business. The Welsh Government should take a proactive role in transforming our economy through supporting co-operative, community-led and social value models.

In addition, we know that many of the impacts of Covid-19 will be long-term and persistent. For example our 2020 mapping exercise of the social business sector in Wales, that aims to understand the size and scale of the sector and conduct a health check, showed that many social enterprises in Wales have significantly depleted their reserves through the past 18 months, leaving them in a less resilient position for future challenges. In addition, many social enterprises have had to reprioritise their activities and haven't been able to think long-term for future projects or funding opportunities. Supporting the social enterprise sector to rebuild its resilience and manage the long-term impact of the past 18 months is therefore crucial. Similarly, we know that some sectors will need specific support to "catch-up", such as health and education, and therefore we believe that a long-term approach to rebuilding the sector is necessary.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The Wales Co-operative Centre is undertaking a significant amount of work to prepare for the future. For instance, we are looking at how expert support can continue to be provided to social enterprises in Wales after the end of EU funding. The service would still require funding from Welsh Government but there are ways in which core funding from Welsh Government could be supplemented from other sources.

Short term budgets and late decisions about funding are two of the biggest issues that cause problems for organisations in the third sector. Whilst short term funding is inevitable on certain occasions, it is usually preferable to have multi annual funding arrangements in place. This reduces administrative costs and provides greater level of certainty to recipients of the service as well as to employees. To help with planning, it is important that we are given notice about funding decisions in good time in line with the Code of Practice for Funding the

Third Sector. For example, we would urge Welsh Government departments to keep to its commitment, as a requirement of all grants, of giving notification of decisions about future funding at least three months prior to the expiry of an existing funding agreement. The principle of full cost recovery is also important so that Welsh Government includes all costs associated with a delivering a project or service.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

The Wales Co-operative Centre adds its voice to the growing calls for Citizens’ Assemblies to be embedded into the political process in Wales. The rebuilding process from Covid-19, as well as the ambition to restructure the economy to focus on sustainability, places and well-being, requires active community consent and public participation in the political processes. In the development of New Zealand’s Well-being Budget in 2019, they undertook new processes which are outlined below, and we urge the budget to follow this process in Wales:

Figure 1 - Development of initiatives in a Wellbeing Budget

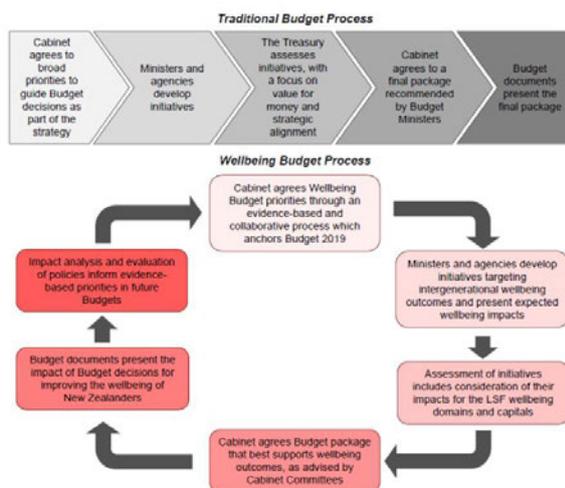


Figure 1: From New Zealand Treasury: <https://www.weforum.org/agenda/2019/05/new-zealand-is-publishing-its-first-well-being-budget/>

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

N/A

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The social enterprise sector faces long term challenges as a result of Covid-19, with our mapping data suggesting a greater adverse impact on the sector than on the economy as a whole. Our mapping survey found that 45% of social enterprises perceived Covid-19 to be a large or critical threat to their financial viability over the next 12 months, demonstrating the ongoing risk. Specialist business support will be critical in helping the sector confront these challenges going forward.

The new Welsh Programme for Government makes lots of commitments which are going to be difficult to meet without the programmes delivered by the third sector, for example business support and finance for social enterprises and support to organisations working with black and minority ethnic communities, women and other under-represented groups in our economy and society. These commitments include:

- Support 80 re-use and repair hubs in town centres;
- Develop more than 50 local community hubs to co-locate front-line health and social care and other services.
- Improve the interface between continuing health care and Direct Payments.
- Build on our approach to the Foundational Economy and develop a Backing Local Firms Fund to support local businesses.
- Provide greater support for worker buyouts and seek to double the number of employee-owned businesses.
- Help businesses to work co-operatively to support local supply chains, including local delivery and logistics services.
- Support innovative new social enterprise schemes such as bike maintenance repair cafes and bike recycling schemes.
- Develop community recycling facilities in town centres and promote repair and re-use facilities to encourage zero-waste shopping
- Develop new remote working hubs in communities.
- Empower communities to have a greater stake in local regeneration
- Deliver the Young Persons Guarantee
- Deliver a 30% target for working remotely
- Implement and fund the commitments made in the Race Equality Action Plan
- Explore legislation to address pay gaps based on gender, sexual orientation, ethnicity, disability and other forms of discrimination
- Implement targets around Gender Budgeting

In addition, the ambition and commitment to ending private profit in children's social care provision will necessitate the development of new models of care in this crucial sector. The Wales Co-operative Centre has extensive experience of working with community groups to develop care and support services, and know that co-operative and community-led models can play a crucial role in empowering those giving and receiving care. To achieve the ambition of taking private profit out of this sector, specialist support for communities and those working in the care sector will be crucial.

– To what extent alleviating climate change should be prioritised in supporting economic recovery.

Climate change should be at the forefront of our priorities, in order to ensure that we can prevent climate change as much as possible, and in order to ensure that our communities are resilient in anticipation of the negative effects that are already happening and will worsen in the future. We believe that in order to do this, radically different models of business and service delivery must be used, and co-operatives, community-led and social enterprise models are essential for this.

Community projects and social enterprise will play a crucial role in achieving net zero emissions both through working in specific industries like energy production and in the wider economy. For example, community energy projects currently have 22.6 MW installed renewable capacity, making a significant contribution to green energy production. In addition, there are wider economic and community benefits to these projects, such as job creation in the local economy, keeping profits and contracts circulating locally, and gaining community consent for energy production.

In a wider sense, the social enterprise model's unique triple bottom-line of prioritising prosperity, people and planet each to the same degree means environmental and social concerns are embedded in its model of entrepreneurialism in all sectors. This radical redesign of what it means to do business is the level of transformation required to find solutions to an emergency as stark as the climate crisis. For example, social enterprises we have worked with proactively seek to ensure they are as energy efficient as possible, and work to ensure that their supply chains are green and locally sourced.

- How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

– Welsh Government policies to reduce poverty and gender inequality.

A key aspect of poverty that is becoming a more and more pressing issue in Wales is data and digital poverty. Data poverty has been made even more visible through the Covid-19 pandemic as many households have struggled to engage fully in the online world, due to the cost both of data and devices. In Wales, as elsewhere, the pandemic has highlighted stories of families having to choose between data or dinner, or having to share one device among a large family. Further work and research are necessary to fully understand this in Wales, following NESTA's scoping work. Investment to address data poverty in Wales will become more and more important as more of our lives and public services move online.

Social enterprises play a key role in tackling poverty, for many this is their social mission. Our mapping survey demonstrated that social enterprises are particularly concentrated in some of the poorer areas of the South Wales Valleys and are more likely to operate in areas of deprivation. Social enterprises are good employers, with the vast majority offering the real Living Wage to all their staff and employing people who are further away from the labour market. There is a very positive gender balance within the leadership of these businesses.

– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

– Sustainability of public services, innovation and service transformation.

The Welsh Government has committed to the digital transformation of public services, and we believe that this has the potential to hugely improve the integration and quality of public services in Wales that deliver for the people of Wales. It can also result in cost savings. The Wales Co-operative Centre, in collaboration WCVA and ProMo-Cymru, has recently launched the Newid project aiming to ensure that the Welsh third sector takes advantage of the opportunities from digital approaches. As delivers of key services and a significant proportion of the Welsh economy, we believe that this is an essential piece of work that will become more and more important in the future.

In order to ensure that this digital transformation of public services has the biggest impact possible, and that everyone is able to benefit from it, continued investment in digital inclusion is essential. Investment in digital inclusion is preventative spending in a health context because it allows people to use digital resources to manage their health and access relevant health information. It is more important than ever that Wales is a digitally inclusive nation, and that everyone who wants to get online is able to when they want to, in a confident and secure manner.

– How evidence is driving Welsh Government priority setting and budget allocations.

– How the Welsh Government should use taxation powers and borrowing.

– What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

Social enterprises require specialist business advice services to meet their unique needs. While they face many of the same challenges as any mainstream business, they also face unique challenges. Social enterprises have different drivers and deliver holistic solutions, integrating their environmental and social objectives with economic ones. They have specific governance structures and are accountable to multiple stakeholders. They access funding in different ways and from different places, for example from trusts and foundations, social investment providers and community share schemes. These businesses need to be supported in ways which are sympathetic to their means of delivery and social impact.

The 2020 Mapping Exercise found that the sector is estimated to include up to 2,309 businesses and up to 56,000 employees, generating £3.1–3.8 billion in value, and that social businesses are particularly concentrated in some of the poorer areas of the South Wales Valleys and are more likely to operate in areas of deprivation. The sector is composed of a core group of well-established social businesses supplemented by a growing group of start-ups, and there appears to have been a substantial increase in start-up activity over the last two years, which is linked to the Social Business Wales New Start project. This is also important in the context of the Programme for Government's commitment to doubling the number of employee-owned businesses in Wales, as the Employee Ownership Wales team at

Social Business Wales provides specialist support to businesses to transition to an employee-owned model.

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)

Social Enterprise

As businesses driven by purpose, social enterprises exist to deliver economic, social, environmental and cultural aims. There is clear overlap with the Act's intention to deliver sustainable development through improving the economic, social, environmental and cultural well-being of Wales. Social enterprises also embody many of the Act's five ways of working – long term, prevention, integration, collaboration and involvement. Investing in specialist business support for social enterprises will be essential to ensuring that new social enterprises are able to start, and that they and existing social enterprises are able to grow. Our Mapping Exercise noted that this specialist business support will be essential for social enterprises to address barriers caused by the pandemic and in a more general sense, such as accessing funding, using digital technology, and finding new business opportunities in the private sector and through understanding public procurement and the Welsh Government's well-being agenda.

Employee Ownership

The Welsh Government has committed to doubling the number of employee-owned businesses in Wales, and providing access to finance for worker buy-outs would be a crucial investment that would help the 'build back better agenda'. We know that employee ownership has considerable advantages for workers, businesses, owners and the wider economy. It leads to higher levels of engagement for workers and gives them the opportunity to have a stake in the profits they create, increases productivity and improves workforce retention/recruitment for businesses, and anchors businesses in the local community and ensures profits and contracts are retained locally.

Investment in a fund to support worker buy-outs would help to overcome funding issues, one of the main barriers to growing employee ownership in Wales. It is clear that smaller firms seeking to transition to employee ownership can struggle to access traditional lending from banks, as a result of a lack of awareness of this as a business model.

Social Care Support programme

We believe the Welsh Government should invest in specialist support for the development of social care co-operatives and community-led models of care. The Welsh Government has committed to developing these models, and specialist support is needed to explore how these models of care can be nurtured and developed in Wales.

Those who care for others, whether as a profession or as an unpaid volunteer, deserve the utmost respect for the work they do for our friends, neighbours and communities as a whole.

In care co-operatives, recipients of care and those providing care can both have a say about what services are provided and how that is done. This is crucial to ensuring the best care possible is being delivered. Across all sectors, workers in co-operatives see improved working conditions, better pay, and higher levels of job satisfaction. We want care to be a career of first choice, for people to be respected for the work they do, and for them to have opportunities to grow and progress in their careers. It should be a career as respected as any other in our society. For people who care for loved ones, having access to a network of support that a co-operative provides, and for them to have the platform this network provides, is part of building and strengthening our neighbourhoods and communities.

Supporting the development of these models is in line with the Welsh Government's commitment to take private profit out of care for children, and with commitments in the Social Services and Well-being (Wales) Act 2014. In order for the change we want to see to happen on the ground to the benefit of those giving and receiving care, providing specialist support to co-operatives and community-led groups will be essential.

We would welcome any opportunity to further engage with this budget development process. If you have any questions about our consultation response or would like to discuss the issues that have been raised, please get in touch with our Policy and Research Officer, Daniel Roberts, through [REDACTED]

UNISON Cymru Wales Submission to Senedd Finance Committee: Welsh Government Draft Budget 2022-23

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1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

1.1 This has undoubtedly been one of the most difficult periods of modern times and Government's across the world have had to grapple with a deadly virus we did not understand. Throughout the pandemic, it has been necessary to crisis manage and response quickly to protect public health and the Welsh Government response has been no exception.

1.2 Overall, UNISON believes Welsh Government's management of the pandemic has been responsible and has placed public health at the front and centre. UNISON is clear that partnership working has helped support this response and has promoted a rapid, efficient response to the crisis. For example, partnership working allowed for PPE supplies to reach the necessary areas and protect frontline staff as much as possible in the workplace. Where issues were identified, unions were able to raise them urgently with the relevant employer and with the necessary government officials in order to reach a speedy resolution.

1.3 Furthermore, UNISON has welcomed the responsible use of public finances manage services including the track and trace provision, which was run through public services. This is in stark contrast to the provision in England where the same service has been outsourced to the private sector at great cost to the public purse and to the service being provided.

1.4 In addition, UNISON recognises the benefit of the establishment of the local government hardship fund. The fund undoubtedly offered some protections and avoided a mass redundancy situation across Welsh local authorities – allowing income generating areas to continue to operate. UNISON is clear, the outcome for local authorities in Wales is better when compared to authorities in England.

1.5 However, UNISON has concerns over some of the budgetary decisions made which have been short-term in their approach rather than more visionary. Taking social care as an example, UNISON has been frustrated with the implementation of the bonus payments in social care.

1.6 The roll out of the payment has been flawed, with many workers who should have been eligible for the payment not receiving it, leading to a feeling of a divided

workforce. Furthermore, UNISON is clear that the systemic issues in the sector – including issues of low pay – should be addressed as a priority for the long-term rather than with the use of one-off bonus payment.

1.7 UNISON welcomed the Welsh Government’s commitment to pay the Foundation Living Wage (FLW) across social care, but workers in the sector are yet to feel the benefit of this promise. UNISON believes this need to be addressed as a matter of urgency.

1.8 The infection control fund, established by the UK (United Kingdom) Government is a further example of the poor treatment of workers in the social care sector. Until the establishment of the fund, many workers in the social care sector were expected to balance social responsibility with putting food on the table for their families – an immoral situation, particularly given the risk these workers were putting themselves in. This is example shows the very dire situation in the sector and demonstrates the very real and critical need for a national care service and collective bargaining across the sector. The social care and fair work forum must deliver for the long-term benefit of the sector.

1.9 Health services are also being stretched to the limit – with waiting times at record levels, a lack of elective surgery, and a rising incidence of bed-blocking resulting from failing social care services. We could not have anticipated the unknown impact of a global pandemic; however, it is worth noting the lack of workers in the NHS and the effects of long-term public sector pay restraint. Whilst UNISON is aware of the restrictions placed on government finances because of Barnett consequential, we would have welcomed a more creative approach to the use of funding on NHS worker pay. Retention is going to be key for the future of health services and this simply will not be achieved without fair pay.

1.10 This all comes on the back of a long-term financial restraint resulting from austerity. Many services, including youth, planning, and environmental services, had been decimated prior to the pandemic. There is no slack in the system and so many important services lack resilience, an issue further compounded by the pandemic.

1.11 Clearly, planning is more important than ever but is equally more difficult than ever given the constantly shifting context we are operating in. More financial certainty for the coming years would be welcome, particularly given the high rate of inflation and spiralling living costs.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

2.1 There is a pressing need to address and resolve the crisis in the social care sector and funding needs to be ring-fenced for this specific purpose. UNISON is clear, it is of key priority that proper industry wide collective bargaining is applied across the entire social care sector. Collective bargaining would at least begin to address the industrial recognition that

social care workers need and would begin to address the challenge of coordinating improved standards across a sector which is hugely fragmented.

2.2 Furthermore, social care is highly skilled and increasingly complex. There is no one-size approach. People are living longer and with more complex health needs that need tailored support. Collective bargaining can help to properly recognise the skills and demands in care through properly negotiated terms, conditions and pay, which will in turn support fair reward. We cannot expect to recruit and retain a high-quality workforce for the long-term if we offer poor quality jobs, pay, terms and conditions. There must be a shift away from reducing costs, which inevitably leads to labour cost reductions, towards the delivery of quality care and focus on outcomes.

2.3 The current pay, terms and conditions for many social care workers are poor – meeting only the legal minimum standards. Funding needs to be made available for the immediate implementation of the FLW for all workers social care workers. We need to encourage more workers into social care for the long-term and we need to ensure workers are fairly rewarded for their work. There are examples of good employers, but unless there are fair and decent sector standards across the piece, the sector will remain fractured and unstable.

2.4 We expect to see legislation on public procurement and specifically on national framework agreements related to social care progress through the Senedd this term. It is essential this legislation go as far as possible for its potential to be a mechanism to help deliver fair work to be fully realised. Scrutiny of such legislation is key to ensuring it properly addresses these critical issues within the care sector.

2.5 Whilst there will no doubt be a financial cost associated with overhauling the sector, there will clearly be savings and efficiencies elsewhere. The whole health and social care sector need to be considered in more circular terms – spending in social care will produce efficiencies elsewhere in the system. There is a current and ongoing issue with bed-blocking in hospitals, which creates lag in the system elsewhere and we see ambulance queues outside of hospitals. Better financing and capacity in the social care sector will help alleviate other health service pressures.

2.6 Recruitment and retention in the NHS also need to be prioritised. The current workforce has been under sustained pressure and are working below a full complement of staff. This way of working is unsustainable, and we are already seeing workers burn out and leave the sector.

2.7 Public services more broadly have been under sustained pressure over a long-term period because of austerity and COVID. It is more important than ever to ensure local government is sustainable now the immediate crisis is over. Local government have vital importance to our post-covid recovery. Whilst health and social care are reactive in the way they operate, local government services undertake a more preventative role for our communities. This role will be more important than ever given the sustained pressures on health and social care services. It is important to not only keep services going but to invest to repair local government services to allow them to fulfil their potential and alleviate the pressure on crisis services.

2.8 For future budgetary planning, UNISON believe Welsh Government need to consider a public sector pay strategy for public services in Wales and other bodies related to it. Current budgetary planning rarely identifies an increase in workforce costs – there must be a clearer identification of projected workforce costs to allow an assurance their costs will increase. Taking the Careers Services as an example, the workforce budget has been flat with the outcome being a choice between staff cuts or wages being unable to keep pace with cost of living – both options are damaging to the service and are unfair on the workforce.

2.9 A three-year budget cycle will allow a much greater ability to forward plan. Local government in Wales has been seeking such a cycle for some time. A three-year budget period will give some level of certainty to public services and will allow a greater freedom for more innovative planning.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

3.1 As identified above, a three-year budget cycle will be beneficial to public services across Wales.

3.2 Budgets must be allocated for workforce development, and this can be further enhanced through the Wales Union Learning Fund (WULF). The WULF projects have been consistently responsive to the needs of the workforce, and the COVID crisis is no exception. WULF projects reacted quickly to issues including the need to develop digital skills at pace, specific social care priorities, as well as worker mental health and wellbeing support.

3.3 To allow grant schemes to fully realise their potential, Welsh Government must ensure the additional workforce cost is built into the grant funding allocation. Local authorities are already operating at beyond capacity and they do not have enough staff available to properly administer the schemes and this must be built into the grant.

3.4 It is important to note the budgetary impact for workers at an individual household level. There are too many workers experiencing in-work poverty. Too many workers are unable to plan ahead because of poor pay and the fact wages are not keeping pace with living costs. Furthermore, the changes to universal credit will further destabilise household budgets. This will inevitably impact on people's mental health, and this will have a knock-on impact on public services further down the line.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

4.1 A three-year budget cycle will allow a much greater ability to forward plan. A three-year budget period will give some level of certainty to public services and will allow a greater freedom for more innovative planning.

4.2 UNISON believes Welsh Government should have a public sector pay strategy and this should be open for scrutiny. Current budgetary planning rarely identifies an increase in workforce costs – there must be a clearer identification of projected workforce costs to allow an assurance their costs will increase. Taking the Careers Services as an example, the workforce budget has been flat with the outcome being a choice between staff cuts or wages being unable to keep pace with cost of living – both options are damaging to the service and are unfair on the workforce.

4.3 UNISON believes there need to be some uniform arrangement for consulting with stakeholders – particularly given the social partnership context we are operating in. UNISON is keen to promote engagement on budget issues through social partner mechanisms and believe there should be biannual budget briefings. This is key part of building the social partnership agenda and ensuring all partners have a full understanding of the budget process and implications. This will support the continued development of genuinely open and transparent social partnership.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

5.1 UNISON supports increased devolution and the ability to make decisions about services closer to those who use them. As such, UNISON supports increasing the overall capital borrowing limits as outlined.

5.2 UNISON recognises that, unfortunately, there is to be no imminent change in funding arrangement between UK and Welsh Government despite well-rehearsed arguments about the weaknesses associated with the Barnett formula. In the meantime, UNISON believes it is of key importance to properly scrutinise the funding arrangement and ensure Welsh Government gets every penny of funding owed because of any Barnett consequential. UNISON believes it is important to shine a light on the funding arrangement and expose how the funding mechanism works to ensure it is widely understood and to ensure Welsh Government is receiving all the funding due.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

7. How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

7.1 Public services have once again stepped up to an enormous challenge. The public sector, and public service workers have remained dedicated and committed throughout this crisis, to great personal costs in too many incidences. The true value of public services has been highlighted once again and they must be at the heart of our recovery. Furthermore, public service can help drive forward the changes we need with regards to workplace digitalisation, climate change, and economic development.

7.2 Local councils can be economic drivers in the local economies and can help to ensure economic development progresses more evenly across Wales. Funding for economic regeneration should be allocated through local authorities, which now have more tools available than ever before through the city regions and corporate joint committees.

7.3 Social care has been operating in sustained crisis conditions and the social care sector must be prioritised as our communities recover. The arguments around social care have been threaded throughout this response so will not be repeated here, although UNISON would welcome the opportunity to provide additional information and evidence as required.

8. To what extent alleviating climate change should be prioritised in supporting economic recovery.

8.1 UNISON is clear that climate change must be of key priority in supporting economic recovery and public services must be involved in that change. Public services as a whole (excluding transport) represent about 8% of the UK's direct greenhouse gas emissions – the NHS alone represents about 4% of those emissions. When procurement, construction and social housing are considered, the impacts are much greater.

8.2 Welsh Government must commit transparent and significant public funding in order to allow the urgent actions needed to decarbonise public services. Without adequate funding public services can only achieve green outcomes in an ad hoc and piecemeal way, increasing the risk of not meeting statutory decarbonisation targets. We cannot afford to divert further funds from already underfunded public service budgets. An additional decarbonisation funding stream is necessary.

8.3 Building a resilient green economy, as part of the recovery from the pandemic, represents a once in a lifetime opportunity. Key to this success is a social partnership approach, engaging with public service employers, workers, and unions to ensure the transition to net zero is just and fair – protecting and creating jobs, improving our health and the planet.

8.4 The government needs to start funding public service decarbonisation now. The government must set up a separate and significant additional climate and decarbonisation budget.

8.5 Full detail of UNISON's blueprint for climate-friendly public services is available in a new report: "Getting to net zero in public services: the road to decarbonisation" ([26609.pdf \(unison.org.uk\)](#)).

8.6 Welsh Government cannot legitimately and credibly declare a climate emergency without allocating the adequate funding needed to address the challenge.

9. How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education.

9.1 Social care – this response has spoken on social care at length, so it is not necessary to repeat the need for the sector to be prioritised, other than to highlight it must be a key priority during funding considerations. For social care, this is not just a case of "catching up" because of the pandemic but overhauling the sector to make sure it is sustainable and equitable for the long-term.

9.2 Youth services – no child should be left behind. Almost one in three in Wales live in relative income poverty – a figure likely to worsen as a result of welfare reform and the pandemic. The combination of over a decade of cuts to youth services and the pandemic has been devastating to youth service provision.

9.3 This is undoubtedly impacting the mental health, wellbeing, and prospects for Wales' young people. Current rules allow youth service provision to be merged and provided as part of a broad package of education and social care measures. As a result, real youth work is being lost.

9.4 When youth services go, benefits to young people and communities are lost – along with resulting savings in intervention services further down the line. Local authorities must have a genuine duty to provide universal, open access youth services, backed up by the necessary resources.

9.5 Children's services are a lifeline for many families, and this must not be forgotten.

9.6 Teaching assistants (TAs) - UNISON has long called for consistency across local authorities. TAs were registered with the promise that it would professionalise standards. UNISON was cautious that registration would be costly with little benefit to TAs. UNISON believes the job descriptions and pay needs to be standardised across Wales. UNISON is also opposed to term-time only contracts. Consistency across the sector would undoubtedly benefit the delivery of education – it would promote a more stable workforce and create a level playing field across the sector. It would also encourage workers into the sector and would enhance clear progression routes for members of the workforce. Overall, this can only have a positive impact on the delivery of education and the pupil experience.

10. Welsh Government policies to reduce poverty and gender inequality.

10.1 As highlighted throughout this response, UNISON believes it is necessary for Welsh Government to develop a public sector pay strategy and to ensure that, as a part of this, additional funding is allocated under each relevant budget to allow the workforce to grow and develop.

10.2 Public sector pay has not kept pace with spiralling living costs over a long-term period. Until this is addressed, poverty and gender inequality will not be overcome. The public sector workforce are predominantly women and so it is predominantly women who have suffered as a result of pay restraint. Furthermore, sectors where poverty pay is now the norm, such as the social care sector, are also predominantly staffed by women. Fair pay must be a priority.

10.3 In addition, well-funded, responsive, and effective public services undoubtedly help create a fairer and more equal society. The budget must reflect this.

11. Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

11.1 UNISON believes preventative spending is key to the overall health and wellbeing of our communities, however, far too often these very services are the first to face the axe when funding cuts are on the table.

11.2 UNISON considers local government services to be the health services of our communities. It is local government services that keep people healthy in body and mind, and keep people connected. The health and wellbeing benefits of leisure services, youth services, library services, parks and recreation areas, are clear. Refuse services, environmental health services, and social services are all essential for us to lead healthy lives. However, it is these same services that are often considered to be low-hanging fruit when budgets are squeezed, and there is then an inevitable impact on the NHS and social care services. NHS and care services are then, by comparison, the sickness services, which citizens then need to access, often as a result of failures in what should be considered preventative services. Public services need to be considered more holistically, with recognition that a cut in a preventative service will eventually cause demand in a crisis service, often at a greater cost overall.

12. Sustainability of public services, innovation and service transformation.

12.1 Reference has been made above to UNISON's report *Getting to net zero in public services: the road to decarbonisation* ([26609.pdf \(unison.org.uk\)](#)).

12.2 There must also be a commitment through the Welsh Government budget to a Just transition across Wales. A JUST transition is about a fair treatment of workers and communities most affected by change as we move to a low carbon world.

12.3 A JUST transition must mean a balanced low carbon energy mix; investment in skills and infrastructure; protecting and creating high quality jobs and employment; no community left behind.

13. How evidence is driving Welsh Government priority setting and budget allocations.

13.1 Many public services are expected to provide minute detail about budget allocation, and this is time consuming and not necessarily the best way to ensure value for money. UNISON believes there should be a refocus on outcomes as a better way to assess how effectively funding is being utilised.

14. How the Welsh Government should use taxation powers and borrowing. – What specific support is needed in the budget for businesses. economic growth and agriculture, related to post EU transition.

14.1 UNISON supports the devolution of EU funding allocations to Welsh Government and for Welsh Government to determine how and where funds are spent, rather than “levelling up” decisions made at UK level.

15. What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

15.1 Several key opportunities have been identified throughout our response including a just transition, decarbonising public services, and moving to a more outcomes focussed funding model.

15.2 In addition, UNISON believes the housing crisis should be addressed in this post-pandemic period. “The housing crisis” is not a new phenomenon and it is no surprise that the pandemic, with its catastrophic effect on income consistency, combined with the transformation of many homes into makeshift workplaces, has deepened this crisis. UNISON’s goal, for access to safe, secure, affordable housing to be a basic right for all UK citizens, seems a long way off.

15.3 UNISON believes a well-funded, forward-thinking approach can not only solve the housing crisis, but kickstart the country’s economy after the pandemic and provide the foundations for huge job growth into the green tech and construction sectors.

15.4 A UNISON and APSE report launched earlier this year outlines seven primary recommendations including:

- Investment in a new generation of council housing, at scale;
- Maximising opportunities within that investment for green growth and green upskilling;
- Re-empowering local authorities with meaningful control of planning; and
- Restoring the link between local housing allowance, housing benefit and rent.

15.5 The full report, *A Decent Place to Live: Homes fit for Key Workers*, can be viewed here: [A-decent-place-to-live-updated.pdf \(unison.org.uk\)](https://www.unison.org.uk/a-decent-place-to-live-updated.pdf)

Welsh Government Draft Budget 2022-23

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Care & Repair is Wales's older people's housing champion. We are a long standing and trusted partner of Welsh Government, Local Authority and Local Health Boards across Wales, consistently delivering services and solutions to support older people's independence, safety, health and well-being at home.

In 2020/21 we worked safely and to Public Health Wales guidelines throughout the challenges and pressures of the pandemic to achieve the following for older people living in poor housing:

- 44,000 older people helped to stay independent at home.
- £14.5m of housing repair and improvement work completed.
- 36,371 jobs completed, of which 25,844 jobs supported falls and prevention and reduced pressures on the NHS.
- 17,232 Rapid Response Adaptations completed, supporting hospital discharges and prevention admissions to hospital and residential care.
- Secured £6.81m of unclaimed benefits entitlements for older people, which can help better afford food, transport, energy and other bills.
- Supported 2,265 older people with sensory loss, stroke and dementia to adapt their homes and live independently through our 'Managing Better' service
- 3,403 patients supported with a quicker, safer hospital discharge across 17 hospitals in Wales, leading to an estimated 20,000 bed days saved
- Specific additional support to older and disabled people during the pandemic:
 - 6,465 'Keeping in Touch' calls
 - 1,341 prescriptions delivered
 - 1,864 essential shopping trips and delivery of meals on wheels
 - 4,744 telephone advice calls
 - 4,139 signposted to other organisations better placed to provide support
 - 1,067 NHS deliveries (PPE, oxygen, medication, aids and equipment).

Via WCVA, we received Voluntary Services Emergency Funding and National Lottery funding that enabled Care & Repair to purchase PPE for safe service delivery and to make our workplaces safe. Later in the year we received Voluntary Services Recovery Funds and made around £100K hardship funding available to improve living conditions for older people who were in cold and unsafe housing. We believe this funding was via WG, and both funds were welcomed in terms of our response to service delivery during the early stages of the pandemic, and into helping older people, many of whom were "staying at home", but living in cold and poor conditions.



As the above figures demonstrate, Care & Repair performs well and makes a significant contribution to Welsh Government priorities such as 'Prosperity for All', 'A Healthier Wales', and the Well-being of Future Generations Act'. Our service is holistic, people-centred and adapts to individual needs and homes – key approaches underpinning Welsh Government's aspirations for citizens.

Our core revenue funding for business as usual in 2021/22 was standstill. This has been the case for the past 6 years. This followed on from major funding reductions of nearly £1m or 22% between 2010 and 2016. With inflation of around 38% over 11 years, continuing to operate our services and keeping up with need has been a big challenge at a time when demand for Care & Repair has increased significantly with an ageing population. Now, due to Covid, older people are spending even more time at home and demand for Care & Repair is increasing even more.

When it comes to our Rapid Response Adaptations Programme (RRAP), capital funding has remained the same for 10 years at £2m. When inflation of 38% is factored in, this £2m realistically pays for 38% fewer adaptations and essential repairs. This is now exacerbated by covid, and Brexit increases in building supplies costs and labour costs, and increasing market costs and overheads (e.g. fuel and energy).

We are therefore working within a continuously stretched budget, in terms of recruiting and retaining skilled and qualified staff (Caseworkers, Surveyors and Handypersons) and balancing Care & Repair organisation budgets, as well as meeting needs for home adaptations and improvements for our clients through capital funds. Every year numerous Care & Repair Agencies run out of capital funding for RRAP and must hope on the availability of local funding sources, which varies considerably across Wales, or on central applications for slippage or other available funds from WG. Even with some additional local funding secured, our C&R Agencies indicated a shortfall of some £500,000 capital this year, with at least two anticipating running out of funds entirely in December, just when winter pressures are being felt most by the NHS. Local funding sources are precariously unguaranteed, making our service very vulnerable to local fluctuations, potentially resulting in unmet need and inequity of service across different parts of Wales. For those Agencies who are successful in applying for local funding streams, these are spent fully each year even without the additional challenges of Covid-19.

The impact of annual standstill budgets is felt acutely across the Care & Repair sector. Care & Repair works closely with LHBs and LAs in a preventative capacity. RRAP works to prevent falls and accidents in the home, so reduces unscheduled care. It also works to facilitate quicker hospital discharge and better patient flow – therefore saving NHS costs and pressures in the long run. Despite the volume of people we reach every year, the inability to fund RRAPs and works in the home in line with actual need means that our stagnant budget results in increased costs elsewhere from missed opportunity to complete preventative works.

We have seen a huge increase in demand this year. In Q1 and Q2 of 2020/21 we completed 7,819 RRAP works, whereas this year in 2021/22 we completed 11,838 RRAP works. Pre-pandemic demand has already been reached and exceeded, in some Agencies by more than 50%. We attribute this to increased demand from hospitals as NHS pressures continue to increase due to higher incidence of

unscheduled care amongst older people and presentation at ED; coupled with post-covid waiting lists now being processed; family members beginning to visit older relatives at home, resulting in a call to Care & Repair; and the increased confidence of older people to self-refer now they deem it safe to do so.

Last winter was one of the toughest we have faced, and the likelihood is this winter will be worse. Care & Repair have the tools to assist Welsh Government and public services during winter. We anticipate additional strain on healthcare services already stretched thin, and in turn continued unprecedented demand and strain on our services: in September, the NHS Confederation estimated that 1,400 patients in Wales were unable to be discharged from hospital, which had the same impact of shutting down the University Hospital of Wales in Cardiff¹. Care & Repair's *Hospital to a Healthier Home*² directly supports quicker, safer discharge of older patients from hospital and helps improve patient flow. Last year the service helped 3,403 patients leave hospital more quickly. It is vital that RRAP which allows us to make homes safe and accessible is available to meet the increased need for this service and others we have evidenced this year.

Good health starts at home, and Care & Repair Cymru can be an increasingly valuable partner, providing adaptations for older people to lessen their risk of accidents or poor health caused by hazardous or unfit homes. Care & Repair Cymru can work with Welsh Government in a preventative capacity, to stop hospital admissions and to ensure that older patients who are ready for discharge are able to leave hospital.

Thankfully for this year, we have been successful in applying for capital slippage funds from WG Housing Directorate, and Winter Pressures Social Care Third Sector funds, and are grateful to colleagues in WG for their collaboration and support in recognising the case we made. These additional capital funds are welcomed, but it is worth pointing out that additional funds are not available every year to deal with unmet need.

Certainty of both revenue and capital funds which meet need and demand for preventative services, allowing for better planning and preparation are much needed in the future.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

See above response.

Ramping up a proactive, prevention agenda with support from third sector organisations in Wales will be essential to support the huge pressures the Welsh NHS faces.

Adaptations in the home reduce falls in older people and lead to fewer admissions to hospital. We worked collaboratively with Swansea University and the SAIL databank to show the evidence behind this claim:

¹ NHS Welsh Confed, Pressures facing NHS Wales. available [here](#)

² For more information on Care & Repair's Hospital to a Healthier Home service, click [here](#)

- The research used data from 650,000 patients aged between 60-95 over nine years, of which 123,000 people had Care & Repair support.
- The findings show that Care & Repair adaptations and interventions reduce the odds of falling at home. Those who had NOT received Care & Repair support had a 17% increased risk of falling.
- The findings also indicate that Care & Repair clients had higher odds of falling from the outset, meaning that we are successfully targeting a more vulnerable sub-population of older adults.³

For years we have known that older people who receive Care & Repair services have a reduced risk of falling, reduced risk of being admitted to hospital, a reduced or delayed need for admission to a residential care home.

We know that priority must be taken to address the backlogs in NHS care – for this to happen, we believe it is vital that the Welsh Budget of 2022-23 places increased significance on reducing preventable admissions to ED and supports third sector services that help improve patient flow and quicker safe discharges of care.

To do this, the Welsh Government must continue to reflect its commitment to person-centred care by breaking down traditional siloes between health and housing in its budget. Throughout the Covid-19 pandemic, Care & Repair Caseworkers have witnessed first-hand the deconditioning of older people's health in tandem with the deterioration of housing condition. The quality and condition of a home and health of its occupants are interlinked. The Welsh Housing Condition Survey conducted in 2017-2018 revealed that 18% of older homes have Category 1 hazards present – meaning nearly 1 in 5 homes in Wales are hazardous to health⁴. Consequentially, poor housing costs the Welsh NHS £95million each year.⁵ Many older people live in unfit housing unsuitable for their needs and need support to make the changes necessary to continue to live in safe, warm, accessible homes.

There will be additional pressures on public services because of the pandemic. According to Wales Fiscal Analysis, the core Welsh resource budget (excluding covid19 funding) is projected to grow by 5.7% in nominal terms from 2020-21 to 2022-23. However, WFA predict that housing and public services outside the health budget fall in real terms in 2022-2023. Overall spending outside the NHS and Local Gov is about 13% below pre-austerity levels but will face post-pandemic public service pressures too.⁶

Care & Repair is a service that works. Every year we support thousands of older people to stay safe and independent at home. We demonstrate strong outcomes year on year thanks to a strong evidence base of the large volume of outputs, proven

³ This work has been peer reviewed and published in *Age and Ageing* (2021): <https://doi.org/10.1093/ageing/afab201>

⁴ Welsh Government, Welsh Housing Conditions Survey, available [here](#). (p. 10)

⁵ BRE Trust, The Cost of Poor Housing Report, available [here](#).

⁶ Wales Fiscal Analysis, Welsh Budget Update: Outlook ahead of Spending Review 2021, available [here](#)

outcomes, positive client and patient stories, NHS staff testimonials, studies and this year published academic research from Swansea University that provides evidence that our preventative work reduces numbers of older people who fall and need an ambulance and hospital care. Despite all this, our budgets are stretched, we have difficulty in recruiting and retaining staff due to salaries not keeping pace with inflation, or similar posts in other sectors or organisations being paid more. We would like to see a commitment in the 2022-23 budget to sustainably fund preventative third sector services beyond those that just work in statutory health services, including our own in Care & Repair (i.e. housing and third sector), that will be vital to Covid recovery.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

Care & Repair has seen a significant decrease of nearly £1m revenue (22%) since 2010. With increasing inflation and costs of goods and services, we are now facing extreme pressures. As demonstrated in our response to Q1 and 2, this funding is not sufficient to meet need and leaves the service vulnerable to non-guaranteed local funding pots and sustaining staffing levels. Ultimately, this means that every year we face difficult choices in prioritising works for some of Wales's most vulnerable people. We see thousands of older people in desperate need of help to make their homes safe to live in that we cannot help.

We are already seeing unprecedented demand in 2021/22 due to deconditioning over lockdowns means that the work we need to carry out is often urgent and critical. Our referral rates are higher than comparable years meaning our casework, handyperson, and technical teams are stretched to the limit to fill the gaps left by public services.

We are also seeing increasingly complex cases involving mental health, hoarding and wider societal issues. We are seeing higher incidence of falls and accidents in the home amongst older people, resulting in increased presentation in ED. Older people have spent much longer periods of time inside without being seen by health professionals – this had led to increased deconditioning and means that we are seeing a large increase in the complexity of works required to ensure clients can remain living safely and independently at home, which in turn pushes costs up.

Demand will increase over winter. We have already stated how the decrease in funding and increase in demand is affecting our services. Each year we run the risk of being unable to carry out essential work in the winter months when prevention is needed most to support the Welsh NHS.

Without increased funding for our Care & Repair service in 2022/23, need will go unmet.

As mentioned, Care & Repair is faced with workforce challenges: with levels of funding available it is impossible to compete with the private sector, local authorities and RSLs when it comes to recruiting and retaining some of our professional posts. We cannot compete with salaries and stability offered outside of the third sector, making it increasingly hard to keep staffing levels the same. The salary of a Technical Officer in Local Government, for example, is £38,791, whereas the average Care & Repair salary for the same position is currently £31,750. Staffing issues are also present for

external partners, including contractors and handymen, who are facing increased demands and have months-long waiting lists as well as increased costs due to material price increases.

For all the above reasons, we have asked that for 2022/23, a grant funding uplift for Care & Repair is considered by WG.

The request is:

- 1) **a 20% uplift in revenue**, increasing the core revenue grant funding amount to £4.7m. The rationale for our ask is that this would fill the funding shortfall to operational revenue costs for the last 6 years (16%), the inflationary increase for next year (a further 2.5%) and assist with other pressures mentioned above. Overall, this would help sustain a uniform, core Care & Repair service across Wales.
- 2) **A 30% increase to RRAP funding** to £2.6m. The current RRAP amount is always spent by the start of winter just as winter pressures start and the funding is most needed. This has been demonstrated again this year with a successful business case paper and request for slippage recently submitted to WG. Additional RRAP is also needed to support our successful Hospital to Healthier Home service and the increased targeted work in supporting older people to return home from hospital more quickly, reducing unscheduled care pressures, preventing readmissions, and improving patient flow.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

NA.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

NA.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

Resources would be better spent focused on a more preventative agenda. This agenda should apply to both housing and health sectors and recognise the role third



sector organisations such as Care & Repair plays in terms of both strategic thinking and delivery of services in different and complimentary ways to statutory services.

In the Welsh Government's *National Milestones and Indicators* consultation in which Care & Repair Cymru called for "healthy housing" to be considered an indicator of a thriving Wales, where private housing stock is brought up to an acceptable, safe standard, ensuring the health and longevity of Wales's housing stocks, as well as the health of its occupants⁷.

Providing additional funding to make sure that houses are brought up to a healthy standard –targeted specifically at older and vulnerable people in the private housing sector, who cannot afford to do works and have limited capacity to organise them. This would mean its occupants are less likely to have housing related poor health issues and would save money and reduce pressures in the long term for the Welsh Government and health service. In turn this would also support healthcare resources to be used more efficiently, allowing healthcare providers to start to tackle the Covid-19 backlog, as well as create new jobs in the housing and construction sector aimed at bringing housing up to an acceptable standard.

– To what extent alleviating climate change should be prioritised in supporting economic recovery.

Climate change should be considered when making any budget decisions for ourselves and future generations.

We welcome Welsh Government's ban on fossil fuel heating technologies in newly built social housing from October 2021⁸, but this leaves behind the private housing sector in which the same considerations must be taken. With the Welsh housing sector responsible for 21% of carbon emissions⁹, optimised retrofit and wider cross-tenure decarbonisation proposals need to be brought forward urgently if Wales is to reach its Net Zero target, and these need to include the private housing sector as well as the social housing sector.

The next iteration of the Warm Homes Programme will be consulted on in December. Many of our clients rely on schemes such as Nest to heat their homes, alleviate fuel poverty and improve their health. In its current form, the Nest scheme limits replacement heating options to gas – the scheme needs to be future proofed by incorporating green technologies. As fewer and fewer houses rely on gas heating in the coming years, it is important that these consumers are not left on an antiquated system reliant on fossil fuels. These schemes should ensure equitable access to heating for everyone as well as equitable access to environmentally friendly means to do so.

– How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education.

⁷ Care & Repair Cymru response to *Shaping Wales' future: using national indicators and milestones to measure our nation's progress* available [here](#) (p. 8)

⁸ Welsh Government, *Welsh Development Quality Requirements 2021*, available [here](#) (p. 3)

⁹ Welsh Government, *Decarbonising Welsh Homes Stage 1 Report*, available [here](#) (p. 6)



Properly resourcing the health prevention agenda should be prioritised. It is crucial resource goes to tackling the wider determinants of health, including housing conditions, fuel poverty and income maximisation work.

Care & Repair's *Hospital to a Healthier Home* service saved the Welsh NHS 20,516 bed days between April 2020 and March 2021, working throughout the peaks of the pandemic. Welsh Government has a wealth of innovative third sector organisations running successful schemes that help reduce the pressures felt in public sectors that can be drawn on, however they need to be properly funded.

Care & Repair Cymru's work has highlighted the organisation's impact in reducing NHS spending and will be integral to reducing pressures, allowing the healthcare sector to "catch-up" after the pandemic. Likewise, adaptations are the quickest and cost-effective way to reduce hazards and risks in older peoples' homes, and Care & Repair agencies carried out 17,232 Rapid Response Adaptations in 2020/21 to support hospital discharges and preventing admissions to hospital and residential care, as proven by our recent SAIL research¹⁰.

– Welsh Government policies to reduce poverty and gender inequality.

Over 2 years 2019 to 2021, Care & Repair helped older people in Wales access an additional £17.5 million annually in unclaimed benefits. We believe there is more work to be done on tackling the stigma around benefits claiming, to recast this as a right and entitlement in public conscience that falls within the remit of Welsh Government.

An estimated 155,000 people in Wales still live in fuel poverty; 130,000 of which are classed as vulnerable¹¹; a characteristic which includes older people. In the final few months of 2020/21, we also helped 80 older people who were living in fuel poverty, via our 70+ Cymru scheme¹². We agree with the actions of the Fuel Poverty Plan 2020-2035 and look forward to reiterating the need for a fabric first, whole house approach to ensure homes are free from drafts, leaks and able to retain heat to help reduce fuel bills and fuel poverty.

– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Prevention underpins Care & Repair Cymru's aims as an organisation and the work we do. We have made the case for additional resource in our preventative agenda in our response to Q1,2 and 3. Poor housing conditions are where many health problems begin, especially for older people who live in unfit housing which is unsuitable for their needs. Welsh Government should take a holistic, cross-governmental approach to public health and prevention given the task ahead of recovering and protecting our NHS from current and future effects of the pandemic.

¹⁰ Care & Repair Cymru Annual Report 2020/21, available [here](#)

¹¹ Welsh Government, Fuel Poverty Estimates 2018, available [here](#).

¹² Care & Repair Cymru Annual Report 2020/21, available [here](#)

Care & Repair Cymru advocates for a right to decent housing to be enshrined in law. We welcome the new announcement via the Labour and Plaid Cymru Cooperation Agreement publish a White Paper to include proposals for a right to adequate housing but are mindful that this should be about the quality of homes as well as the supply. We are calling for clear minimum standards to be in place for private sector housing. There should also be a national safety net programme for vulnerable older homeowners that should be made available to Care & Repair agencies for us to carry out essential maintenance and improvement works¹³.

– Sustainability of public services, innovation and service transformation.

Moving from yearly funding to longer-term funding would ensure longer term certainty of services across the board and the continued viability and success of Care & Repair Cymru's work and that of the wider third sector community.

– How evidence is driving Welsh Government priority setting and budget allocations.

We have provided evidence of the strength of service every year since 2002 via RRAP reporting. We have submitted evidence for several years as to why our organisation requires an increased budget to be able to meet the needs of older, vulnerable people in Wales. Despite showing consistent success through our work, we have not seen an increase in our funding in eleven years - a large real-terms decrease in our core funding. While we appreciate and highly value working with Welsh Government and being a trusted partner, it is becoming increasingly difficult to help all older people in Wales who need our help.

Over 90% of completed works (under £500) have an average value of £130 and 7% is mid-level up to £5,000 with an average value of £1,600 (there are combinations and multiples of these for some clients of course). The average cost of works for Care & Repair is approximately £340. If you look at The Real Cost of Housing in Wales (BRE) 2011, there is a £67m (*updated to £95m in the PHW Making a Difference Report in 2019, average investment £584) annual cost to the NHS in Wales from poor housing related to Category 1 Hazards (Falls, Cold Homes risks) and 20% of the hazards identified could be addressed with costs less than £520 and over half with works costing £1,600 on average.

– How the Welsh Government should use taxation powers and borrowing.

NA

– What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

NA

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

¹³ Care & Repair Cymru, Improving Homes to Change Lives, Manifesto for the Welsh Senedd Elections, available [here](#). (p. 3)



Well-being and good health start at home, especially for older people. Carrying out home improvement and adaptations work to ensure that older people can live safely and independent at home, as well as to prevent health issues also aligns with *The Wellbeing of Future Generations Act's* aims for resilience, equality, and good health. "Future Generations" means future older people as well as those not born yet, so we need policies in place now to support Wales's current older population, as well for the future. If more funding is made available for this work, benefits will be cross-governmental, and in line with *A Healthier Wales's* plans for more preventative healthcare, as well as the *Strategy for an Ageing Society's* aim to make Wales the best place to grow old.

For further information or any clarifications, please contact



Peredur Owen Griffiths MS
Chair, Senedd Finance Committee
Senedd Cymru/Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

26th November 2021

Dear Peredur,

Re: Response to Finance Committee Consultation on Draft Budget

I am writing in response to the Finance Committee's consultation on the Welsh Government's Draft Budget for 2022-23.

We believe that **investment in social care** has to be one of the key priorities for the Draft Budget. The social care workforce in Wales is undervalued and understaffed. There is a desperate need to improve the profile of social care and retain staff whilst reducing shortages. We recommend that the Welsh Government should introduce the Real Living Wage for all care staff at the earliest opportunity, because urgent intervention is needed to stabilise and improve prospects for the social care workforce in Wales. Social care in Wales is in a severe crisis, with a backlog of people requiring care waiting to enter the system.

Moreover, we recommend the **integration of health and social care funding**. The social care sector has warned that greater emphasis needs to be placed upon

creating a holistic and cohesive service, that puts the person at the heart of their care plan. We believe that uniting the health and social care funding streams would lead to improved wellbeing in the community; minimised competition between the two sectors for adequate funding;¹ fewer delayed hospital discharges; fewer inappropriate care assessments and packages; and streamlined services that prioritise patients' wellbeing alongside their health. We believe that streamlined funding between health and social care would minimise the need for competition or incompatible practices. Funding needs to be focussed on establishing a coherent and holistic social care sector which puts the individual and their requirements first, facilitated with information technology that shares information seamlessly.

We also believe that **funding needs to be invested in bespoke employment programmes** aimed at overcoming the barriers which disabled people face in gaining and maintaining employment, and raising awareness of funding schemes such as Access to Work. Disabled people offer a wealth of talent, experience, and perspective to the workforce, but many disabled people still face significant barriers when accessing employment. In Wales, many people are unaware of Access to Work, a scheme by which funding adjustments (for technology, travel, support) can be achieved that go beyond what might be considered 'reasonable' for the employer to pay.² As a result, there remains a significant gap between the employment rate of disabled people and that of the rest of the population.

¹ Welsh Government and Swansea University: A Realistic Evaluation of integrated health and social care for older people in Wales, to promote independence and wellbeing: Interim report. 2013. Link: <https://gov.wales/sites/default/files/statistics-and-research/2019-07/131015-evaluation-integrated-health-social-care-older-people-interim-report-en.pdf>

² Only 14% of disabled adults in Wales reported to Leonard Cheshire that they currently or previously receive Access to Work support, compared to 25% of disabled adults in England. Leonard Cheshire, Reimagining the workplace: disability and inclusive employment, 2019.

Funding for transport also needs to be aimed at addressing the barriers that society places in the way of disabled people, that stop or hinder access. 21 per cent of rail stations in Wales do not have step-free access, and at the current rate, all stations in Wales will not be accessible until 2070. Disabled people should not have to wait 49 years for a train.

Finally, we are calling for increased funding for the provision of training, ICT and Wi-Fi equipment to disabled people in Wales to **improve digital inclusion** and tackle loneliness and isolation. Only 79 per cent of disabled people in Wales use the internet, compared with 93 per cent of non-disabled people.³ This uneven access to digital technology means that those with arguably the most to gain from using digital services are often the least likely to be able to do so.

I would be very happy to meet with you or other members of the Finance Committee to discuss these issues further should you wish to do so.

Many thanks,



Glyn Meredith
Director of Wales, Leonard Cheshire Cymru

³ Welsh Government, Internet use and digital skills (National Survey for Wales) 2018-19, <https://gov.wales/sites/default/files/statistics-and-research/2019-09/internet-use-and-digital-skills-national-survey-wales-april-2018-march-2019-207.pdf>

Annex A: References

- Delayed transfers of care database, NHS Wales cited in StatsWales, *Delay length by LA of residence and delay band*. Last updated: 23rd April 2020. Accessed at: [Delay length by LA of residence and delay band \(gov.wales\)](#) [Date accessed: 19th November 2021]
- Leonard Cheshire Cymru, *Manifesto Asks: Annex 3: Integration of health and social care funding*. Accessed at: [Manifesto-Asks-Annex-3.pdf \(leonardcheshire.org\)](#) [Date accessed: 22nd November 2021]
- Welsh Government, *Written Statement: Rebalancing Care and Support White Paper – next steps*. 29th October 2021. Accessed at: [Written Statement: Rebalancing Care and Support White Paper- next steps \(29 October 2021\) | GOV.WALES](#) [Date accessed: 22nd November 2021]

Consultation response: Finance Committee's pre-budget scrutiny

November 2021

Summary

Wales Environment Link (WEL) is a network of environmental NGOs, each of which has a wide array of funding mechanisms, including membership fees; land management grants; grants from foundations; income from nature reserves and heritage properties; and various other innovative forms of fundraising.

The pandemic has undoubtedly affected the environment NGO sector, but we are still living within a nature and climate crisis, as COP26 has so emphasised. We've highlighted some areas that we think the Committee need to consider.

The climate and nature crises

The Committee questions pose: "to what extent alleviating climate change should be prioritised in supporting economic recovery." The premise that this is an 'additional extra' issue or an 'either/or' situation - where climate change is positioned as merely another problem that may impact on us, or 'hinder' an economic recovery - is still the key issue at the heart of every government. Ultimately, our answer to this question would simply be: if nature and climate aren't at the heart of our economic recovery strategy, and we don't restore our damaged ecosystems or reduce our carbon emissions, there will be no economy to recover and no planet where people can survive. This goes beyond just economics. Our economic future, as well as the wellbeing of our society, is entirely dependent on protecting and restoring our environment.

We also need to ensure we are tackling the nature and climate emergency as one. As highlighted in the recent joint IPBES/IPCC Biodiversity and Climate Change Report¹: *"Only by considering climate and biodiversity as parts of the same complex problem*

¹ IPBES-IPCC, 2021. [Workshop Report: Biodiversity and Climate Change.](#)

can solutions be developed that avoid maladaptation and maximize the beneficial outcomes". This underlines the critical importance of good planning, integrating nature's needs, for all infrastructure and placing much more emphasis on well designed nature based solutions.

It's extremely welcome that Welsh Government has changed its portfolios and policy direction with the new Department for Climate Change, with two Climate Change Ministers. Bringing in all the carbon intensive areas – including transport and energy – under the lens of climate change is also a forward-thinking way of approaching the environment. It recognises that all carbon-intensive areas have to put climate change first, and not the other way around. We support this and have already seen nature and climate have more focus in this Senedd term so far. We would ask that the Finance Committee takes the same approach; for example, asking the important questions on why a carbon-heavy policy may have been taken forward still, or why projects impacting negatively on nature are still funded, and putting that environment-first approach in their scrutiny too. Nature-positive policy needs to be as equally important as low carbon initiatives. It is possible to implement low-carbon activities which do not provide high nature returns, therefore not addressing the systemic nature of the crises we are currently facing. Commercial tree-planting, for example, could be low carbon but could also return little to no public or environmental benefit unless it is designed to bring in multiple benefits and that financial auditors are under the requirement to calculate additional benefits.

Nature-based solutions provide win-wins for climate, nature and better use of budgets across portfolios. In the long term, it absolutely saves money as well as our ecosystems. We hope that the new climate-first approach can take a more holistic view of all budget lines, for example, parts of the flooding budget could be re-purposed towards peatland restoration, as restored peat will better prevent flooding downstream, acting as a natural buffer by absorbing water and either slowing the flow or creating wetland habitats.

One of the biggest opportunities on the horizon is the anticipated launch of a new Sustainable Farming Scheme in 2025. In the transition period between now and 2025 there will be opportunities to support the farming community to move towards farming and land management practices that work with nature and reduce carbon. In

this budget, and budgets between now and 2025, we would expect to see funding for interventions that support a fair transition towards more sustainable practices so that farmers are supported to make changes, where necessary, and actions to tackle the climate and nature emergency are embedded as soon as possible.

Budget lines within the Ministry for Climate Change

Despite the Welsh Government saying they are embarking upon a green recovery, in last year's budget we did not notice any realignment to reflect this. This also needs to be reflected across all portfolios, not just the Climate Change one. Inclusion of budget improvements for nature within the Budget Improvement Plan could be a way of setting objectives and tracking progress towards this. Additional representation from eNGO sector on Budget Advisory Group would also help transparency and efficiencies across the budget as whole.

Although, as stated above, the new Ministry is very welcome, there may arise issues with disentangling some of the budget lines, since this will now be a much larger Main Expenditure Group (MEG) and it may be harder to see how much is truly being spent on biodiversity, for example. We hope the Committee will help in asking for vague budget lines to be broken down and explanations given for any new Budget Expenditure Lines (BELs).

For example, the Marine & Fisheries lines are often entwined and therefore makes it very difficult to identify what level of budget is being provided to, for instance, marine biodiversity or habitat restoration, compared to funds available for supporting the fishing industry. Breaking down these budget lines as simply as possible into specific areas would be helpful in identifying any change in resources made available to key areas of work e.g., conservation activities.

An increase to one MEG may still mean that one aspect is struggling. For example – to return to the marine area – in recent years, the Marine and Fisheries Division have struggled with staff capacity and securing resources. In the Welsh Government's 2021-22 draft budget, no additional funding was allocated to the Marine and Fisheries BEL, despite a £33 million net increase into the Environment MEG. This has, in turn, contributed to the lack of progress made in fulfilling their legal requirements, such as ensuring effective monitoring and management of Welsh sea fisheries and

maintaining and improving the conservation status of protected species and habitats within our existing MPA network. We need to be mindful and reassured – with as much transparency as possible – where increases have taken place or where investment has been prioritised within specific areas of work without being masked by a very broad budget line.

NRW grant funding

Recent data from Unchecked UK² has shown that NRW's funding has decreased in real terms by 35% between 2013 and 2020. Over a similar period we note that prosecutions on environmental offences have reduced by 61%, and there are increasing concerns about agriculture and water company pollution across Wales. Lack of capacity for robust monitoring programmes and management of protected sites is also a growing cause for concern. WEL members question whether NRW now has the resources to carry out its statutory duties effectively.

We note that Natural England is now receiving a 47% increase in Government funding after the Chair of Natural England stated³ to the Environmental Audit Committee that budget cuts had left the agency's funding "below the level required to deliver all of our statutory duties to a good standard". While the increase to Natural England's budget still leaves it with less funding than it received in 2008/09, it is at least some recognition that years of underinvestment must be reversed for agencies to be able to deliver their statutory duties.

Grant funding available through NRW has also been affected in recent years by short timescales, unclear processes and poor communication. We are working with NRW to provide input so that processes can be improved but, as with Welsh Government funding, longer timescales are crucial to the effective delivery of environmental projects.

Funding for eNGOs

The Covid pandemic has had a significant impact on WEL member organisations, irrespective of size. It included a loss of visitor-related income at sites due to lockdowns; a loss of community and supporting income. Targeted support through

² Unchecked UK, 2021. Report: [Safeguarding Standards – why Wales should lead the way.](#)

³ Natural England, 2020. [Further information from Natural England following evidence session.](#)

NRW in 2020/2021 helped some, but that has not been available this year. Rate relief provided through Welsh Government also helped. However, the lack of certainty due to annualised funding announced with short windows has been extremely challenging. A misbalance of capital and revenue funding has also left organisations unable to make the most of funding available. Core and capacity funding for the sector remains a critical issue if we are to develop and deliver ambitious plans that tackle the nature and climate emergency.

A recent [report by the Funding Centre](#), commissioned by WEL, shows that the environmental NGO sector is mainly supported by public donations and attracts the least government funding across England and Wales. It is a sector that needs more investment if it is to continue to contribute to tackling the nature and climate crises.

As we have said in previous years, NGOs are important delivery partners that can help the Welsh Government to deliver nature restoration, on both land and sea. To do this we need long-term funding that spans multiple years with a long-term strategy, alongside a recognition that capital funds alone will not cover the development and delivery costs of eNGO activities on a scale required to realise Wales' green recovery. Core funding is still lacking and is essential for policy and administrative consistency, retention of expertise, and to support project development capacity and collaborative working.

When it comes to capital funds, flexibility is particularly needed. As outlined to the last Committee, the Welsh Government launched a much reduced budget for Natura 2000 restoration through grant funding in July 2020⁴ – via the Sustainable Management Scheme - with £4m for 19 projects announced in late September and signed off at the end of October. Whilst much needed and welcomed, the short timeframe for spend and the timing of the year – i.e. funds that are only confirmed to an organisation in, say, November, but a project expected to be delivered by April, over a winter time when weather restricts the kind of work that can be done. As well as being a capital-only fund, it meant that the potential extent of improvements were significantly reduced and restricted. Long-term and multi-year funding to enable multiyear planning is critical in this area to see real impact.

⁴ Welsh Government, 2020. Press release: [£4m available for Natura 2000 sites to help Wales protect vital habitats and threatened species.](#)

We do, however, welcome the Natur Am Byth⁵ project, via the National Lottery Heritage Fund and supported by Welsh Government and Natural Resources Wales (NRW). Although only in the development stage so far, this is a great example of a large-scale, ambitious and species-focused project that incorporates restoration work both in our seas and on land, and will have real and tangible results. The Natur am Byth project also brings together funding for both capital spend and revenue, which is hugely beneficial to staffing costs.

Looking forward to 2022/2023 and beyond, it is critical that budget lines for environment programmes such as Nature Networks Programme – an extremely high priority for eNGOs who are delivering the improvements – are at the top end of expectations. eNGOs have been told it will be tens of millions over the years, but for such a vital and rare source of funding for restoration, we are very much hoping it will be more towards the £60m mark than the £45m, with nothing being confirmed publicly as of yet other than [this year's awards](#) (which total £4.1m).

A green and blue recovery

The Welsh Government and Natural Resources Wales began excellent work last year as part of their Green Recovery Taskforce. Many meetings took place and our members submitted ideas, as invited, to the Taskforce to explore in more depth. We expected there to be further exploration as this is an area with significant potential wins for both nature and budgets. For example, taking forward the still under-developed idea of green prescriptions could have huge benefits for NHS budgets, especially in the mental health arena, with preventative spending meaning that community wellbeing could be improved as well as demonstrating and prioritising the benefits of access to nature for all. Green tourism could also be further explored, with the opportunity that the 'staycation' provides for Wales's rural economy, those initiatives should be supported and developed, in line with a nature restoration approach.

It's not clear what the output of all this work has resulted in, other than the Green Recovery Capacity Building Scheme⁶. This was extremely welcome, especially when

⁵ Natural Resources Wales, 2021. Project: [Natur am byth! Saving Wales' threatened species.](#)

⁶ The National Lottery Heritage Fund, 2020. Funding: [Green Recovery Capacity Building Scheme.](#)

eNGOs were at their most precarious, but it is still a comparatively small amount of money. Compared to the £80 million offered in a similar scheme⁷ in England, only grants of £5,000 - £100,000 were available – insufficient when part of the purpose of the scheme was to develop “ambitious long-term plans”. Crucially, the funding was only available for a five month delivery window, limiting the impact of capacity building initiatives.

Whilst we understand the Welsh Government has less funds available, this demonstrates the real need for UK-wide cooperation on nature funding, and highlights the urgent need to replace the EU LIFE project on a UK basis. We have made presentations to the new Department for Levelling Up on this and advocated for a UK-wide fund to replace EU LIFE as part of the replacement of EU Structural Funds with the whole Shared Prosperity Fund and Levelling Up Prospectus.

Replacing EU LIFE funding

With the critical years to save nature being now, and the Sustainable Land Management Scheme not coming into play until 2025, recognition of the scale of funding required to tackle the climate and nature emergency is far greater than that provided currently, and is beyond the Welsh public purse. There needs to be a framework for Welsh Government to support and enable the development of robust and sustainable innovative finance models alongside a range of stakeholders.

We have made recent representations to the new Department for Levelling Up to use the Shared Prosperity Fund to replace EU LIFE funds, an overlooked part of replacing the spread of all EU funding Wales benefitted from. It was integral to eNGOs. Natural England’s assessment⁸ of its impact highlights that the UK was the most successful member state at applying for such funds and for a replacement UK fund, due to the *“lack of alternative funding sources of a similar scale or scope, particularly within the environment strand”*, but also recommends some streamlining in terms of the grant management process and clarity on performance metrics.

The fund has been a catalyst for substantial investment in Wales’ natural environment. Since its inception in 1992, 18 Nature and Biodiversity LIFE projects

⁷ UK Government, 2020. Press release: [£80m fund for green jobs and new national parks to kick start green recovery.](#)

⁸ Natural England, 2019. Report: [Evaluation of EU LIFE Fund in the UK.](#)

have taken place in Wales with a total value of over €65 million. This is estimated to have produced nearly £250 million in economic growth, and over £1 billion in ecosystem services. The loss of LIFE would not only threaten Welsh nature but may also put livelihoods at risk. Only The National Lottery Heritage Fund can provide something similar through match-funded projects, but nowhere near the same scale as the EU could, and we believe the UK Government would be well placed – and fulfilling its promise to replace all EU-related funding – to drive this forward across all four UK nations to tackle the shared nature and climate emergency.

The RSPB⁹ emphasises that many of their *“achievements in saving special places and reversing the loss of iconic species have only been possible thanks to LIFE funding, including projects to help Little Terns, Roseate Terns , Bitterns, Stone Curlew in the Brecks, Machair in Scotland, and work preventing the vital freshwater habitats at our Titchwell reserve from being destroyed by rising sea levels”*.

For example, one case study is the Celtic Rainforests LIFE project, where Snowdonia National Park Authority were awarded €9.5 million over seven years. It focuses on restoring a mosaic of two internationally important woodland habitats (regarded as the ‘temperate rainforests’ of Europe, owing to their open woodland structure, mild and humid conditions, and rich lower plant communities). These habitats are critical for biodiversity, as well as the benefits they provide to people – such as providing carbon storage, water management, and opportunities for recreation.

Another excellent initiative – unlikely to be funded by any scheme other than LIFE – was the Active Blanket Bog Project; between 2006 and 2011, it restored blanket bogs across areas of mid and north Wales. The project delivered significant and sustained improvement in the condition of over 8,000ha of blanket bogs in the Migneint-Arenig-Dduallt, and the Berwyn and South Clwyd Mountains Special Areas of Conservation (SACs), two of the most important SACs for blanket bog in the UK. In order to restore the blanket bog over 450kms of drains were blocked, 48ha of forestry plantation was taken out and 6472ha of invading non-native species were removed.

⁹ RSPB, 2019. Blog: [The Time is Now for Nature Funding](#).

We would implore Welsh Ministers to try and compensate for this through their own budgets, and to support our calls for this and to work with the UK Government and other devolved nations to work out a way to fully replace EU LIFE projects and urgently. Particularly in the run up to COP 15, and with the huge benefits LIFE projects brought to Wales, the Welsh Government would be well placed to lead the call for this. My one issue with this is this consultation is aimed at Senedd focusing on scrutiny of WG budget, with no power over UKSPF. We could suggest that WG needs to understand this and try to compensate through its own budget lines, or what they are more likely to say is, this is something for discussions with UK Gov and MPs not us

National Nature Service concept

One output of NRW's Green Recovery Taskforce work was clear, when a smaller group – led by the Food, Farming & Countryside Commission – took forward the National Nature Service concept. As RSPB¹⁰ outlines, a concerted focused effort on developing such a Service “could provide employment opportunities and help address [rural and coastal area] inequalities and establish a future focused greener workforce that addresses nature and climate needs.” Their report¹¹ outlines that it could create almost 7,000 full-time equivalent jobs in Wales, with knock on economic impacts such as boosts to tourism, as well as the broadly positive effect of a workforce trained in emerging areas of need. A formal proposal¹² has now been presented to the Deputy Minister for Climate Change and we strongly support this going ahead in pilot areas.

A National Nature Service that incorporates the opportunities our marine environment has to offer would also only further enhance the number of employment opportunities and boosts to both tourism and people's well-being. It could be a key vehicle to drive forward green and blue recovery and it's vital our seas are not left out of its development, particularly as Welsh Government has, only fairly recently, been given powers over of the offshore area, none of which are protected in the way some of our inshore areas are.

¹⁰ RSPB, 2021. Article: [What could a National Nature Service do for Wales?](#)

¹¹ RSPB Cymru, 2020. [Developing a Green Workforce in Wales - Estimating the Scale of the Need and Opportunity.](#)

¹² National Nature Service SubGroup, 2021. [Proposal on National Nature Service for Welsh Government.](#)

WEL wholly supports this and believes a National Nature Service (NNS) would be a practical and tangible way of training up the next generation in essential skills (that we'll continue to need for decades to come), providing entry-level jobs and bringing people together around work that will truly tackle the nature and climate emergency. We would very much like to see, at a minimum, a Welsh Government funded pilot to explore how this can be taken forward, with equal and demonstratable consideration made for both marine and terrestrial environments.

This should also fill vital skill shortages and ensure ecological literacy is embedded in all relevant sectors. Future generations will need to address even bigger nature problems and carbon reductions than we have now, with natural climate-influenced disasters rising and coastlines changing. We need to plan now for the skills they will need in the future.

A National Nature Service would be an excellent policy to coalesce around as a Wales-wide approach to green recovery from the pandemic. The Future Generations Commissioner¹³ has been calling for this, alongside many other stakeholders. This is extremely welcome.

No other outputs from the Taskforce are immediately apparent, but we would urge the Committee to follow up with Natural Resources Wales to see if other projects are emerging.

¹³ Future Generations Commissioner, 2021. Report: [‘A Fit for the Future Programme for Government’](#).

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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1 Amdanom ni

Mae Adferiad Recovery yn elusen Gymreig sydd newydd ei sefydlu, a hynny ar ôl i Hafal, CAIS a WCADA uno gyda'i gilydd ar 1af Ebrill 2021. Mae Adferiad Recovery yn siarad ar ran pobl ag afiechyd meddwl (gan gynnwys sgitsoffrenia, anhwylder deubegynol a chyflyrau eraill sydd yn cynnwys colli seicosis neu goll dirnadaeth pobl sydd wedi eu heffeithio gan broblemau caethiwed, a phobl sydd â sawl diagnosis ar yr un pryd, a'u teuluoedd a gofawyr, yn ogystal â grŵp ehangach o bobl fregus yr ydym yn darparu gwasanaethau ar eu rhan.

Mae Adferiad Recovery yn cael ei lywodraethu gan yr aelodau sydd yn ethol ein Bwrdd Ymddiriedolwyr ac sydd yn cynnwys cynrychiolaeth gref o ddefnyddwyr gwasanaeth a gofawyr. Mae Adferiad Recovery yn darparu gwasanaethau ym mhob un o'r 22 sir yng Nghymru ynghyd â Swydd Gaerhirfryn.

2 Ffocws ein hymateb

Rydym wedi ffocysu ar y ddau faes allweddol sydd wedi eu nodi gan y Pwyllgor, sef

- *Sut y dylid blaenoriaethu adnoddau er mwyn mynd i'r afael gyda'r pwysau sydd ar y sectorau hynny sydd angen "dal fyny", fel Iechyd ac Addysg*
- *Dulliau o weithio tuag at wariant ataliol a sut y mae hyn yn cael ei ystyried wrth ddyrannu adnoddau (Gwariant ataliol = gwariant sydd yn ffocysu ar atal problemau ac yn helpu o ran y gofynion a fydd ar y gwasanaeth yn y dyfodol drwy ymyrryd yn gynnar).*

3 Blaenoriaethau Allweddol ar gyfer "dal fyny"

(i) Iechyd Meddwl – a Chlustnodi

Mae'r Pwyllgor Cyllid yn medru chwarae rhan allweddol yn sicrhau bod y "Clustnodi" sydd yn diogelu gwariant iechyd meddwl yn cael ei barchu fel ei fod yn darparu gwasanaethu iechyd meddwl gwell ar gyfer y sawl sydd â'r anghenion uchaf.

Mae ein harolygon o gleientiaid ac aelodau wedi dangos fod problemau sylweddol gan bobl sydd â phroblemau iechyd meddwl yn ystod y pandemig. Roedd rhai o'r problemau yma yn anochel gan fod gwasanaethau wedi eu heffeithio gan fesurau diogelwch ac ail-glustnodwyd adnoddau er mwyn

mynd i'r afael gyda'r haint; gellid fod wedi osgoi neu liniaru rhai problemau drwy gyhoeddi cyngor i Gymru gyfan o ran yr isafswm lefel y gwasanaeth y dylid fod wedi ei gynnal, a chyfathrebu gwell gan y gwasanaethau ynglŷn â'r hyn a oedd ar gael a sut i'r argaeledd yma newid yn ystod y pandemig; mae'r ddau fater yma dal yn hynod berthnasol.

Y flaenoriaeth ar gyfer gwasanaethau iechyd meddwl nawr yw "dal fyny" o ran y driniaeth a'r gofal sydd yn cael eu rhoi i'r sawl sydd â'r angen mwyaf, boed yn gleientiaid hirdymor neu'n gleientiaid sydd newydd dderbyn diagnosis ac wedi dod yn sâl iawn yn ystod y pandemig.

Hoffem fod y Pwyllgor yn nodi'r gwahaniaeth penodol rhwng yr angen i flaenoriaethu'r cleifion anghenion uchel yma a'r angen i fynd i'r afael gydag effeithiau'r pandemig ar lesiant meddwl y boblogaeth ehangach; mae mwy am hyn i'w weld isod.

(ii) Caethiwed a dibyniaeth ar alcohol, cyffuriau a sylweddau eraill

Dylai'r rhai sydd wedi eu heffeithio gan faterion caethiwed gael eu blaenoriaethu ar gyfer derbyn gwasanaethau, yn enwedig yn sgil y cynnydd diweddaraf yn y nifer o bobl sydd â phroblemau gamblo, alcohol a materion eraill.

Hyd yn oed cyn y pandemig, roedd Adolygiad o Wasanaethau Camddefnyddio Sylweddau yng Nghymru 2017 gan HIW/CIW wedi canfod fod mynediad ac amseroedd aros ar gyfer gwasanaethau ar draws Cymru yn anghyson ac weithiau'n fwy cyfyngedig mewn ardaloedd gwledig, ac mae amseroedd aros hir a diffyg capasiti mewn gwasanaethau yn golygu fod rhai yn cael trafferth yn derbyn y driniaeth sydd angen arnynt.

Yn dilyn cyfnod pan mae hyd yn oed mwy o bobl wedi cael trafferth gyda phroblemau caethiwed, dylai mynediad at gymorth priodol fod yn uchel ar agenda Llywodraeth Cymru.

(iii) Anghenion cymhleth

Mae angen blaenoriaeth integreiddio gwasanaethau ar gyfer cleifion yng Nghymru ag afiechyd meddwl, problemau caethiwed ac anghenion sy'n cyd-ddigwydd/cymhleth.

Mae pobl sydd ag afiechyd meddwl fel arfer ond yn derbyn ychydig o driniaeth ar gyfer eu problemau caethiwed; mae pobl sydd â chaethiwed wedi eu heithrio o ofal iechyd meddwl yn y gorffennol.. Fodd bynnag, mae'r fath anghenion yn aml yn rhyngweithio anghenion eraill ac yn eu gwaethygu, gan arwain at bobl yn profi sawl problem ar yr un pryd.

Mabwysiadu dull cynhwysfawr ac integredig at ddarparu gofal yw'r ffordd orau o adeiladu bywyd newydd yn gwella o afiechyd meddwl, anhwylderau caethiwed a'r rhai sy'n cyd-ddigwydd. Mae angen dull newydd o weithio arnom lle y mae'r GIG a'r cynghorau yn symud i ffwrdd o'r model o gomisiynu gwasanaethau mewn seilios. Yn hytrach na defnyddio amodau i eithrio pobl rhag derbyn gwasanaethau, mae angen i ni gomisiynu gwasanaethau deinamig sydd yn diwallu anghenion cymhleth yr unigolion, yn hytrach na cheisio paru'r unigolyn gyda'r gwasanaeth.

4 Gwariant Ataliol – a Gofal Iechyd Darbodus

Mae rôl allweddol gan y Pwyllgor yn adnabod manteision *ynghyd â chyfyngiadau*’r dulliau ataliol at wariant, gan sicrhau nad yw gwasanaethau iechyd meddwl yn cael eu glastwreiddio neu’n “gorgyffwrdd” â meysydd eraill fel rhan o’r dull ataliaeth.

Roeddem wedi nodi fod y Pwyllgor Cyllid blaenorol (o ran cyllideb 2021/22) wedi argymhell *“tra’n mynd i’r afael gyda’r lefelau cynyddol o afiechyd meddwl sydd yn gysylltiedig gyda’r pandemig, mae Llywodraeth Cymru yn sicrhau bod buddsoddiad yn cael ei wneud mewn mesurau ataliol sydd yn ystyried y ffactorau eraill sydd yn dylanwadu ar iechyd meddwl, fel sgiliau a chyflogadwyedd, addysg, tai, mynediad at ofod gwyrdd a gweithgarwch corfforol”.*

Roeddem wedi mynegi pryder fod modd dehongli’r argymhelliad hwn fel cefnogaeth ar gyfer defnyddio’r cyllid sydd yn benodol ar gyfer iechyd meddwl (sydd yn cael ei glustnodi) i’w ddefnyddio i ariannu mesurau ychwanegol. Rydym yn cydnabod fod hyn yn medru cynnig ychydig o werth o ran atal iechyd meddwl, ond os yw’r broses o glustnodi yn mynd i gael unrhyw werth, nid yw’n medru cynnwys mesurau sydd yn faterion ar gyfer cyllidebau eraill: wrth gwrs, mae Llywodraeth Cymru yn medru ariannu adrannau eraill i fod yn gyfrifol am y mesurau yma ond ni ddylai wneud hyn ar draul y gwasanaethau iechyd meddwl sydd yn cael eu hariannu gan yr arian a glustnodir.

Ond nid yw hyn yn ymwneud gyda’r broses o glustnodi. Ni ddylid dargyfeirio gwasanaethau iechyd meddwl i gefnogi’r hyn sydd yn gyfrifoldeb i’r adrannau ac asiantaethau eraill i chwarae eu rôl yn diogelu ac yn gwella lles meddyliol eu cleientiaid, staff a’r cyhoedd.

Mae angen blaenoriaeth i fabwysiadu dull Gofal Iechyd Darbodus tuag at ddarparu’r holl ofal a thriniaeth (fel sydd wedi ei arloesi gan y Prif Weinidog pan oedd yn weinidog iechyd) ac sydd yn ceisio sicrhau nad yw pobl yn derbyn mwy o gefnogaeth o ran ymyrraeth na’r hyn sydd angen arnynt.

Rydym oll yn gwybod bod mwy o bobl yng Nghymru yn mynd i angen cymorth ar gyfer eu lles ar ôl y pandemig, ac wrth gwrs, dylai unrhyw un sydd angen help gael ei atgyfeirio’n bositif at ffynhonnell briodol o gefnogaeth ond mae’n hanfodol hefyd fod gwasanaethau arbenigol yn diffinio eu rôl yn eglur ac yn osgoi medicaleiddio yr hyn sy’n ymateb arferol i ddigwyddiadau bywyd.

Os yw’r llwybrau mynediad at wasanaethau yn gweithio’n gadarn fel bod gwasanaethau arbenigol yn medru ffocysu ar y cleifion sydd eu hangen tra bod y gwasanaethau cymorth eraill yn cynorthwyo’r sawl sydd â phroblemau y mae modd eu datrys ar y lefel yna, dyma fydd yn cael yr effaith fwyaf ar wella bywydau pobl.

5 Cyswllt

Am fwy o wybodaeth am y pwyntiau uchod, cysylltwch os gwelwch yn dda gyda:

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Senedd Finance Committee call for information – Welsh Government Draft Budget proposals for 2022-23

1 About us

Adferiad Recovery is a newly-formed Welsh charity, the result of a merger between Hafal, CAIS and WCADA on April 1st 2021. Adferiad Recovery is a charity and company limited by guarantee which speaks for people with a serious mental illness (including schizophrenia, bipolar disorder, and other conditions involving psychosis or loss of insight), people affected by addiction, and people with co-occurring diagnoses, and for their families and carers, as well as for a wider group of vulnerable people for whom we provide services.

Adferiad Recovery is governed by its members who elect our Board of Trustees (which has strong representation of service users and carers). Adferiad Recovery delivers services in all twenty-two counties of Wales and in Lancashire.

2 Focus of our response

We have focused on two of the key areas specified by the Committee, namely

- How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education
- Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Please note that we have previously set out similar views to the Senedd Health and Social Care Committee but in this response we have given particular attention to cross-cutting issues which the Finance Committee may be best placed to consider.

3 Key Priorities for “catch-up”

(i) Mental Health - and the Ring Fence

The Finance Committee has a key role in ensuring that the “Ring Fence” which protects mental health spending delivers improved mental health services for those in the highest need.

Our surveys of clients and members have shown significant problems for people with serious mental health problems during the pandemic. Some of these problems were inevitable as services were

affected by infection precautions and resources were reallocated to tackle the disease; some problems could have been avoided or at least mitigated through better all-Wales advice on the minimum level of service which should be maintained and better communication by services on what was available and how that availability changed in the course of the pandemic: both these issues remain live ones.

The priority for mental health services must be to “catch up” in terms of treatment and care for those most in need, whether long-term clients or newly diagnosed clients who have become seriously unwell during the pandemic.

We would ask the Committee to note particularly the distinction between the need to prioritise these high-needs patients and the need to address the effects of the pandemic on the mental well-being of the wider population: more on this below.

(ii) Alcohol, drug, and other addictions

There should be a priority for access to services for those with addiction issues, particularly given the recent rise in numbers of people with gambling, alcohol and other addictions.

A 2017 HIW/CIW Review of Substance Misuse Services in Wales found that access and waiting times for services across Wales is inconsistent and is sometimes limited in rural areas, and that long waiting times and a lack of capacity in services means that some find it difficult to get the treatment they need.

Following a period when even more people have struggled with addiction, access to appropriate support should be high on the Welsh Government’s agenda.

(iii) Complex needs

There needs to be a priority to integrate services and provide a holistic service for the many patients in Wales with mental illness, addiction issues or co-occurring/complex needs.

Often, people with a mental illness receive little treatment for their substance misuse issues, and people with an addiction have in the past been excluded from mental health care. However, such needs typically interact with and exacerbate one another, leading to individuals experiencing several problems simultaneously.

Taking a comprehensive and integrated approach to providing care is the best way to build a new life in recovery from mental illness, addiction and co-occurring disorders. We need a new approach where the NHS and councils move away from commissioning services in silos. Instead of using conditions to exclude people from services we need to commission dynamic services which meet the complex needs of the citizens of Wales.

The Mental Health (Wales) Measure 2010 identified that a holistic approach is essential: considering accommodation, social life, physical health, money etc. as well as mental health needs if we are to make any difference to those who need help. The Sixth Senedd is the time to

ensure that this approach is not only being implemented properly for secondary mental health patients but also those with addiction and co-occurring issues.

Services need to be joined-up and structured to deliver an individualised approach rather than trying to fit the person to the service. Only then will they truly reflect the people they serve, and only then will they truly be effective.

4 Preventative Spending – and Prudent Healthcare

The Committee has a key role in identifying both the advantages and the limitations of a preventative approach to spending, specifically ensuring that mental health services are not diluted or allowed to “mission creep” in the name of prevention.

We noted that the previous Finance Committee (in relation to the 2021/22 budget) recommended that ***“whilst tackling the increased levels of mental ill health linked to the pandemic, the Welsh Government ensures that investment is made in preventative measures which consider the wider determinants of mental health, such as skills and employability, education, housing, access to green space and physical activity”***.

We expressed concern then that this recommendation could be interpreted as support for mental health specific funding (protected by the Ring Fence) to be used to fund such additional measures. We recognise that such measures may have some value in preventing mental ill health, but for the Ring Fence to have meaning it cannot include such measures which are matters for other budgets: of course the Welsh Government can fund other departments to undertake such measures but this should not be at the expense of mental health services funded under the Ring Fence.

But this is not just about the Ring Fence. Mental health services should not be diverted to support the responsibilities of other departments and agencies to play their role in protecting and enhancing the mental wellbeing of their clients, staff and the public.

There needs to be cross-cutting priority to adopt a Prudent Healthcare approach in the provision of all care and treatment (as pioneered by the present First Minister when he was health minister) which seeks to ensure that people are not supported at higher levels of intervention than they need.

We know that following the pandemic there are likely to be more people in Wales needing support for their wellbeing and of course, anyone in need of help should always receive a positive referral to an appropriate source of support, but it is also vitally important that specialist services define their role clearly and avoid medicalising normal reactions to life events.

If the access routes to services work robustly so that specialist services are allowed to focus on the patients which need them while other support services consistently assist those with problems which are better addressed at that level then this will have the greatest impact in terms of improving people's lives.

5 Contact

For more information on the above points please contact:

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Comisiynydd Cenedlaethau'r Dyfodol Cymru: Ymateb i alwad Pwyllgor Cyllid y Senedd am wybodaeth ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2022-23

26 Tach 2021

Annwyl Peredur,

Diolch am y cyfle i roi mewnbwn ar ffocws craffu'r Pwyllgor Cyllid ar gyllideb 2022-23 Llywodraeth Cymru.

Mae'r gyllideb hon yn nodi eiliad bwysig i Lywodraeth Cymru newydd. Mae iddo arwyddocâd fel y gyllideb gyntaf ers y Rhaglen Lywodraethu (2021) a chyhoeddi amcanion llesiant newydd Llywodraeth Cymru. Daw ar adeg pan ydym yn canolbwyntio ar yr argyfyngau hinsawdd a natur yn dilyn Cynhadledd Hinsawdd y Cenhedloedd Unedig COP26 a lansiad cynllun Cymru Sero Net ar gyfer 2021-25, ac yn ystod cyfnod tyngedfennol o lunio ein hadferiad economaidd o bandemig COVID-19. O'r herwydd, ni fu'r angen i roi llesiant cenedlaethau'r dyfodol yng nghalon y gyllideb hon erioed yn bwysicach.

Gyda hyn mewn golwg, bydd gennyf ddi-ddordeb gweld sut mae Llywodraeth Cymru yn dangos sut y bydd eu gwariant yn eu helpu i gyflawni eu hamcanion llesiant newydd a'u hymrwymadau polisi yn y Rhaglen Lywodraethu newydd.

Yn ystod y blynyddoedd diwethaf, bu fy ffocws ar y meysydd polisi canlynol, a allai, yn fy marn i, gael yr effaith fwyaf ar genedlaethau'r presennol a'r dyfodol yng Nghymru. Bydd gennyf ddi-ddordeb arbennig mewn gweld sut mae'r Llywodraeth yn blaenoriaethu gwariant yn y meysydd hyn ar gyfer 2022-23 (rhoddir mwy o fanylion am bob maes isod):

- buddsoddi mewn sgiliau a hyfforddiant,
- datgarboneiddio cartrefi,
- ymateb i'r argyfwng natur, a
- craffu ar asesiad effaith carbon y Llywodraeth o'i chyllideb.

Ochr yn ochr â hyn, i gydnabod pwynt tyngedfennol y gyllideb hon o ran yr argyfwng hinsawdd, bydd gennyf ddi-ddordeb hefyd mewn deall:

- a yw'r ymrwymadau pendant a wneir yn y gyllideb yn cyflawni'r uchelgeisiau a nodir yn Cymru Sero Net a'n targedau datgarboneiddio cenedlaethol; a
- y synergedd rhwng Cymru Sero Net, y gyllideb, a'r blaenoriaethau a nodir yn Strategaeth Buddsoddi Seilwaith Cymru newydd.

Mae nifer o'r meysydd hyn yn gorgyffwrdd â'r meysydd rydych yn tynnu sylw atynt yn eich llythyr - newid yn yr hinsawdd, anghydraddoldeb, blaenoriaethau allweddol ar gyfer 'adeiladu'n ôl yn well' - fel yr amlinellir isod.

O ran buddsoddiadau polisi allweddol yr wyf wedi tynnu sylw atynt mewn adroddiadau diweddar, ynghyd â fy *“Rhaglen Lywodraethu Addas ar gyfer y Dyfodol”* a gyhoeddwyd ym mis Mai, mae argymhellion yn cynnwys:

- **Ariannu datgarboneiddio cartrefi:** bydd angen buddsoddiad o £14.75bn hyd 2030, sy'n cynnwys £1.7bn gan Lywodraeth Cymru; gydag argymhellion penodol i gynyddu dyraniadau cyllid Llywodraeth Cymru fel a ganlyn:

o Grant Datgarboneiddio Tai Cymdeithasol £108m y flwyddyn a

o Dyblu cyllid tlodi tanwydd (trwy'r rhaglen Cartrefi Cynnes) i £73m y flwyddyn.

- **Sgiliau:** mae fy nadansoddiad wedi tynnu sylw at y ffaith bod y buddsoddiad hyd yma wedi bod yn annigonol. Mae angen piblinell sgiliau ynghyd â buddsoddiad ar frys ar gyfer datblygu sgiliau mewn prosiectau seilwaith allweddol mewn diwydiannau gwyrdd ac adfer natur, ynghyd â chyfleoedd cynyddol ar gyfer ailhyfforddi, ailsgilio a phontio i ddiwydiannau sy'n newid, gan ddarparu 'pontio cyfiawn' i weithwyr.

- **Gwasanaeth Natur Cenedlaethol:** byddai hyn yn sicrhau sawl buddugoliaeth o amddiffyn natur a chreu swyddi. Rydym yn amcangyfrif mai cyfanswm y cyllid sy'n ofynnol i sefydlu tîm GNC fyddai £167,000 ar gyfer 2021-22.

Isod mae ychydig mwy o fanylion am fy meysydd ffocws, a fydd, gobeithio, o ddi-ddordeb i'r Pwyllgor Cyllid wrth i chi ystyried eich blaenoriaethau ar gyfer craffu:

1. Buddsoddi mewn Sgiliau a Hyfforddiant

Yn gynharach eleni, cyhoeddais [fy adroddiad gyda'r New Economics Foundation](#) yn edrych ar y potensial i fuddsoddi mewn swyddi a sgiliau gwyrdd yn erbyn pa mor barod yw ein rhaglenni sgiliau, hyfforddiant a chyflogadwyedd cyfredol i ymdopi â'r newidiadau hyn. Prif ganfyddiadau'r adroddiad yw:

- Gellid creu dros 60,000 o swyddi yn yr economi werdd yng Nghymru dros ddwy flynedd gyda buddsoddiad mewn seilwaith.
- Fodd bynnag, nid yw'r biblinell sgiliau cyfredol wedi'i pharatoi ar gyfer y galw hwn gyda'n dadansoddiad yn awgrymu niferoedd prentisiaeth a hyfforddiant isel mewn sectorau allweddol o'i gymharu â thwf swyddi posibl.
- Mae diffyg cyfatebiaeth rhwng lefelau cyflogaeth bresennol a'r potensial; mae lefel creu swyddi yn sylweddol o gymharu â'r niferoedd presennol.
- Nid yw'r cyllid i ddelio â'r diffyg hwn yn ddigonol i ymdopi â'r galw a'r raddfa.
- Mae angen gweithredu wedi'i dargedu a'i gynnal i sicrhau bod diwydiannau twf gwyrdd yn darparu mynediad i bobl Ddu, Asiaidd a lleiafrifoedd ethnig; menywod; pobl anabl a'r rhai sydd bellaf o'r farchnad lafur.

Hyd yn oed heb y buddsoddiad arfaethedig, mae'r adroddiad yn nodi diffygion sylweddol yn y seilwaith uwchsgilio cyfredol yng Nghymru yn ei allu i ddelio â graddfa a natur y sifftiau strwythurol y mae ein heconomi yn eu profi. Yn y broses, mae'r adroddiad yn tynnu sylw at bryderon ynghylch a yw Cymru'n barod ar gyfer trosglwyddo'n gyfiawn, sy'n sicrhau bod swyddi gwyrdd da ar gael i bawb.

Yng nghyllideb ddrafft y flwyddyn nesaf, byddaf yn edrych ar lefel y ddarpariaeth gyllidebol ar gyfer sgiliau ac ailhyfforddi fel piler beirniadol o ddatgarboneiddio ac wrth gefnogi ein heconomi i addasu i'r newidiadau a ddaw yn sgil y pandemig a Brexit. Yn nodweddiadol bu ymrwymadau diweddar Llywodraeth Cymru ar sgiliau yn y tymor byr ac yn gyfyngedig o ran graddfa o gymharu â maint y trawsnewid sydd ei angen. Ar y pryd, roedd fy adroddiad yn rhagweld dwbl y byddai angen yr adnoddau a ddyrannwyd i ddelio ag effeithiau lluosog y pandemig, Brexit a phontio i economi carbon isel. Mae'r buddsoddiadau a gyhoeddwyd hyd yma yn annhebygol o fod yn ddigonol i ddarparu'r ailhyfforddi a'r uwchsgilio sy'n ofynnol neu i wneud iawn am y dirywiad dramatig mewn cyfranogiad mewn addysg bellach, addysg uwch i oedolion a rhan-amser, a dysgu seiliedig ar waith a welwyd dros y degawd diwethaf. Er mai Llywodraeth y DU yw ysgogwyr polisi allweddol y dirywiad hwn mewn dysgu oedolion, rwy'n awyddus i weld Llywodraeth Cymru yn archwilio'r holl ysgogiadau a mecanweithiau cyllido posibl gyda'r nod o gynyddu buddsoddiad mewn uwchsgilio ac ailhyfforddi.

Rwy'n ymwybodol bod Llywodraeth Cymru ar hyn o bryd yn datblygu cynllun Sgiliau Sero Net, sydd i'w gyhoeddi yng Ngwanwyn 2022, ac mae'n hanfodol bod y gyllideb hon yn darparu digon o adnoddau a gallu i gynyddu graddfa a chyflymder y newid sydd ei angen ar gyfer ein sectorau addysg, hyfforddiant a sgiliau.

2. Buddsoddi mewn Datgarboneiddio cartrefi

Ychydig fisoedd yn ôl, cyhoeddais fy Adroddiad "[Cartrefi addas ar gyfer y Dyfodol: Yr Her Ôl-osod](#)". Edrychodd hyn ar anghenion cyllido'r her ôl-osod cartref fawr a wynebir yng Nghymru, buddsoddiad sy'n hanfodol ar gyfer cyflawni ein nodau hinsawdd, mynd i'r afael â thlodi tanwydd ac ansawdd bywyd yng Nghymru. Mae'n nodi angen buddsoddiad y Llywodraeth o oddeutu £5.3bn dros y deng mlynedd nesaf - £1.7 bn a £3.6 bn gan Lywodraethau Cymru a'r DU yn y drefn honno. Mae ein modelu yn amcangyfrif mai cyfanswm y buddsoddiad sydd ei angen i uwchraddio neu ôl-osod pob cartref yng Nghymru yw £14.75 gyda 64% o hyn yn dod o gyllid preifat. Mae ein hadroddiad hefyd yn awgrymu amryw opsiynau ar gyfer cyflenwi a mecanweithiau cyllid amgen y dylid eu harchwilio ar frys.

Er y gall gwariant sydd eisoes yn bodoli fodloni rhywfaint o'r gofyniad hwn, ac mae cyhoeddiadau diweddar yn awgrymu bod £150m ychwanegol ar ddod, erys bwlch sylweddol iawn. Byddaf yn edrych i'r gyllideb ddrafft hon i ddechrau rhoi'r sylfeini ar waith ar gyfer uwchsgilio sylweddol o'n rhaglen ôl-osod cartref y mae ei hangen ar frys dros yr ychydig flynyddoedd nesaf. Mae angen i Lywodraeth Cymru hefyd fod yn gweithio'n agos gyda Llywodraeth y DU i sicrhau bod cyllid ar gyfer datgarboneiddio cartrefi yn cael ei ystyried yn fuddsoddiad hanfodol mewn seilwaith a allai arwain at fuddion economaidd sylweddol trwy greu swyddi newydd, cefnogi cadwyni cyflenwi lleol, yn ogystal â'r buddion iechyd ac amgylcheddol y gallai rhaglen genedlaethol eu darparu.

Yn eu hadroddiad "[Dyled a'r Pandemig](#)", mae'r Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol yn argymhell "y dylai Llywodraeth Cymru ddarparu eglurder yn ei Chyllideb Ddrafft ar sut y bydd yn dyrannu digon o arian hyd at 2024-25 i gyflymu cynlluniau i ddod â'r holl gartrefi cymdeithasol i fyny i Ynni (EPC) Gradd A i liniaru tlodi tanwydd cynyddol o ganlyniad i gostau ynni cynyddol". Bydd angen i'r ymgynghoriad ar y rhaglen Cartrefi

Cynnes sydd ar ddod nodi sut y bydd datgarboneiddio cartrefi tlawd tanwydd yn cael ei ariannu gan fynd i'r afael â'r angen i fynd i'r afael â'r 'cartrefi gwaethaf yn gyntaf' fel y mae Llywodraeth Cymru wedi cydnabod.

3. Buddsoddi mewn Natur

Mae mynd i'r afael â'r argyfwng natur yn hanfodol i amddiffyn lles cenedlaethau'r dyfodol, ac ni ellir ynysu gweithredu o'r argyfwng hinsawdd.

Er i mi groesawu datganiad Llywodraeth Cymru o argyfwng natur ym mis Mehefin 2021, mae'r gweithredoedd a'r camau sy'n cael eu cymryd mewn ymateb yn llai eglur. Mae gwariant ar adferiad natur wedi bod braidd yn ddisymud yng nghyllidebau diweddar Llywodraeth Cymru, gyda ffocws ar fudo gwariant amaethyddol yr UE i gyllidebau domestig a chynnydd mewn meysydd eraill yn segur.

Er enghraifft, mewn ymateb i'r gyllideb ddrafft ar gyfer 2021-22, amlygodd Wales Environment Link (WEL) er bod cynnydd yn yr amgylchedd MEG yn 2021-22, roedd hyn yn bennaf oherwydd bod taliadau ffermio wedi'u cynnwys ac adlinio gweinidogol portffolios. O ganlyniad, gellid priodoli mwyafrif y cynnydd yn 2021-22 i'r ddau ailddosbarthiad hynny, yn hytrach na buddsoddiad newydd dilys yn amgylchedd Cymru.

Roeddwn hefyd yn siomedig o weld cefnogaeth gymharol gyfyngedig (ariannol) yng nghyllideb y llynedd ar gyfer yr argymhellion a nodwyd gan y Tasglu Adfer Gwyrdd (dan arweiniad Cyfoeth Naturiol Cymru). Mae [Adolygiad Dasgupta](#) yn tynnu sylw at sut mae ein hymgysylltiad anghynladwy â natur yn peryglu ffyniant cenedlaethau'r presennol a'r dyfodol. Dyma pam rwy'n credu bod cysylltu pobl a chymunedau yn well â natur wrth wraidd mynd i'r afael â'r argyfwng natur.

Felly, rwy'n awyddus i weld cynlluniau ar gyfer Gwasanaeth Natur Cenedlaethol (GNC) yng Nghymru yn cael eu datblygu gyda chefnogaeth a rhywfaint o fuddsoddiad ariannol gan Lywodraeth Cymru. Galwais am hyn yn fy adroddiad '[Rhaglen Lywodraethu Addas ar gyfer y Dyfodol](#)' yn gynharach yn y flwyddyn. Mae'r GNC yn system ledled Cymru sydd â'r nod o ysgogi pobl i gefnogi adferiad natur, gan gyflymu gweithredu ar y cyflymder a'r raddfa sydd eu hangen.

Mae fy swyddfa yn gweithio gyda phartneriaid allweddol ac mae ymgysylltiad â Gweinidogion a Swyddogion Llywodraeth Cymru yn parhau, gyda manylion pellach yn cael eu cyflwyno ym mis Rhagfyr. Byddwn yn hapus i rannu trosolwg o'r cynnig GNC gyda'r Pwyllgor os yw hyn o ddiddordeb.

4. Effaith Carbon gyffredinol cyllideb Llywodraeth Cymru

Mewn cyngor i'r Llywodraeth yn 2020 gwnaethom argymhell bod angen iddynt ddadansoddi'n fforensig bob agwedd ar eu gwariant, yn enwedig gwariant cyfalaf, o ran effaith carbon a chyhoeddi manylion am effaith garbon gyffredinol eu cyllideb mewn 'Cyfrif Effaith Carbon'. Adleisiwyd ein hawgrym yn Argymhelliad 16 o adroddiad Pwyllgor Cyllid y Senedd ar gyllideb ddrafft 2020-21:

Argymhelliad 16. Mae'r Pwyllgor yn argymhell bod Llywodraeth Cymru yn datblygu dealltwriaeth o effaith carbon y gyllideb a'i phenderfyniadau gwariant, ac yn edrych ar sut y gall ddangos yn ystyrlon effaith carbon cyllidebau'r dyfodol.

Sylwaf, ers cyhoeddi'r cyngor hwn, fod yr alwad hon wedi'i hadleisio gan Bwyllgor Newid Hinsawdd y DU yn eu cyngor i'r senedd yn 2021, a elwir yma yn 'brawf sero net'.

Byddai Prawf Sero Net yn sicrhau bod holl bolisi'r Llywodraeth, gan gynnwys penderfyniadau cynllunio, yn gydnaws â thargedau hinsawdd y DU.

Ymatebodd Llywodraeth Cymru yn gadarnhaol i'n cyngor, ac am y tro cyntaf ochr yn ochr â chyllideb 2021-22 cyhoeddwyd asesiad cychwynnol o effaith carbon gwariant Llywodraeth Cymru. Yn anffodus roedd defnyddioldeb yr asesiad hwn ar gyfer dadansoddi effaith carbon y gyllideb yn gyfyngedig. Roedd y dull a ddefnyddiwyd yn dilyn dull macro-economaidd o'r economi gyfan o briodoli effaith gwariant Llywodraeth Cymru. Mewn cyferbyniad, roedd y dull a argymhellais yn cynnwys dull buddsoddi-wrth-fuddsoddi o'r gwaelod i fyny gan ddefnyddio offer blaenorol y Llywodraeth ar gyfer asesu effaith carbon prosiect.

Gwnaed cynnydd i'r perwyl hwn yng nghynllun Cymru Sero Net. Roeddwn yn falch o weld asesiad yn cael ei wneud o'r cyfraniad cymharol at ddatgarboneiddio polisiau a gynigiwyd gan adran Drafnidiaeth Llywodraeth Cymru. Er fy mod yn cydnabod nad yw asesiadau o'r fath yn berffaith, ac na ddylai cynnal asesiadau o'r fath gynnwys gwariant anghymesur, mae dadansoddiad o'r fath yn bwysig er mwyn deall gwir faint y cynnydd y mae gweithredoedd Llywodraeth Cymru yn ei gyflawni o ran mynd i'r afael â'r argyfwng hinsawdd. Rwy'n awyddus i weld asesiad o'r fath yn cael ei gyflwyno ymhellach, ar draws adrannau eraill, yn enwedig lle mae gwariant cyfalaf yn gysylltiedig, a phan wneir cyhoeddiadau polisi newydd.

Hyd nes y bydd asesiad cynhwysfawr o gyllideb Llywodraeth Cymru ar gael, nid yw'n bosibl gwybod a yw penderfyniadau cyllidebol mewn gwirionedd yn cael effaith gadarnhaol net (neu yn wir negyddol) ar ddatgarboneiddio yng Nghymru. Fodd bynnag, gyda chefnogaeth y Sefydliad Economeg Newydd, rwyf wedi bod yn cynnal fy null syml iawn fy hun o asesu newidiadau mewn gwariant carbon. Mae'r dadansoddiad hwn yn dangos gwelliannau cadarnhaol o flwyddyn i flwyddyn yn lefel y gwariant mewn meysydd allweddol o'r gyllideb sy'n berthnasol i ddatgarboneiddio (gweler y Tabl isod).

Yn ddiweddar, gofynnais i'r Gweinidog Cyllid egluro:

- Sut maen nhw'n cynnal asesiad effaith carbon y gyllideb eleni;
- Sut fydd y polisiau a'r blaenoriaethau yn y cynllun Cymru Sero Net sydd ar ddod yn cael eu hystyried yn y broses gyllidebol;
- A ydynt wedi ystyried sut y gallai'r dull a ddatblygwyd gan swyddogion Trafnidiaeth gael ei gynyddu ar draws adrannau eraill Llywodraeth Cymru; a
- A fyddant yn ymrwmo'n gyhoeddus i gynnal "prawf Sero Net" o'r gyllideb flynyddol a'r prosiectau yn Strategaeth Buddsoddi Seilwaith Cymru sydd ar ddod i gefnogi ymrwymiad y Llywodraeth i sero net.

5. Cyllideb yn cysylltu â chynllun Cymru Sero Net

Mae'r cynllun "Cymru Sero Net" a gyhoeddwyd yn ddiweddar yn manylu ar ystod eang o bolisiau y mae Llywodraeth Cymru yn gobeithio y byddant yn cyflawni targed sero net Cymru erbyn 2050, gyda ffocws ar gamau sydd eu hangen yn ystod yr ail gyllideb garbon (2021-25). Sylwaf, fodd bynnag, heb asesiad manwl o

effaith carbon mwyafrif y polisiau yn y cynllun, nid yw'n bosibl asesu'n llawn a yw'r cynllun yn wir o gwmpas digonol. Ni ddarperir eglurder ynghylch y dull a ddefnyddir i asesu effaith carbon penderfyniadau cyllidebol ar wahân i ymrwymiad i "anelu at wella [ein] dealltwriaeth o sut i gyfrif effaith carbon penderfyniadau yn effeithiol a sut mae penderfyniadau lluosog yn rhyngweithio i effeithio ar ein targedau cyffredinol." Mae Llywodraeth Cymru eisoes wedi ymrwymo i alinio eu cylchoedd cyllideb ariannol a charbon, felly bydd gennyf ddiddordeb gweld a yw Cyllideb Ddrafft 2022-23 yn cefnogi'r aliniad hwn, gan sicrhau bod buddsoddiad yn cael ei flaenoriaethu ar gyfer polisiau a chymau gweithredu datgarboneiddio allweddol yn y cynllun newydd.

6. Cydraddoldebau

Yn ddiweddar, rwyf wedi cyhoeddi "[Anghydraddoldeb yng Nghymru'r Dyfodol](#)", mewn partneriaeth ag Iechyd Cyhoeddus Cymru. Dadansoddodd yr ymchwil effaith cydraddoldeb tri thuedd yn y dyfodol - dyfodol gwaith, hinsawdd a newid demograffig. Prif ganfyddiad yr adroddiad yw bod yr anghydraddoldebau economaidd-gymdeithasol presennol yng Nghymru mewn perygl o gael eu cario i'r dyfodol oni bai eu bod yn cael sylw penodol. Mae'n awgrymu y byddai gweithredu ar hyn yn cynnwys: edrych am gyfleoedd i hyrwyddo cydraddoldeb wrth ddatblygu polisi ar draws pob maes; a chreu cyfleoedd i eiriolwyr cydraddoldebau a llunwyr polisi feddwl a chynllunio ar gyfer y tymor hir mewn partneriaeth fel rhan o brosesau datblygu polisi. Mae hyn yn adlewyrchu'r ffyrdd o weithio a nodir yn Neddff Llesiant Cenedlaethau'r Dyfodol; yn enwedig integreiddio, cyfranogiad a hirdymor.

Bydd gen i ddiddordeb mewn deall sut mae'r Llywodraeth yn dangos sut maen nhw'n mynd i'r afael ag anghydraddoldebau trwy eu penderfyniadau gwariant, gan helpu i gefnogi trosglwyddiad cyfiawn yn ychwanegol at flaenoriaethau llesiant eraill.

Diolch am y cyfle i gyflwyno'r dystiolaeth hon i'ch galwad am wybodaeth. Edrychaf ymlaen at drafod y materion hyn gyda'ch Pwyllgor ym mis Ionawr.

Yn gywir,

Sophie



Sophie Howe

Comisiynydd Cenedlaethau'r Dyfodol Cymru

Tabl: Asesiad NEF o newidiadau o flwyddyn i flwyddyn mewn llinellau cyllideb sy'n berthnasol i ddatgarboneiddio

	Haen 1	Haen 2	Haen 3	Haen 1+2+3	Gwariant nad yw'n dadgarboneiddio
Cyllid	Gwariant datgarboneiddio sylfaenol	Mae cyfran fach anhysbys ond tebygol o'r llinellau cyllideb hyn yn mynd ar ddatgarboneiddio sylfaenol	Gyda'r ddeddfwriaeth gywir ar waith, mae cyfran o'r gwariant hwn yn mynd ymlaen i alluogi datgarboneiddio	Swm y llinellau gwariant sy'n berthnasol i ddatgarboneiddio	Llinellau gwariant nad ydynt yn amlwg yn berthnasol i ddatgarboneiddio (cyflogau a buddion yn bennaf)
Enghraifft	<i>Gwariant teithio egniol</i>	<i>Gwariant adfywio</i>	<i>Grantiau tai cymdeithasol</i>		
19-20	2.09%	2.51%	5.62%	10.22%	89.78%
20-21	2.50%	2.53%	5.39%	10.42%	89.58%
21-22	2.94%	2.51%	5.88%	11.32%	88.68%



Future Generations Commissioner for Wales: Response to Senedd Finance Committee's call for information on the Welsh Government Draft Budget for 2022-23

26 Nov 2021

Dear Peredur,

Thank you for the opportunity to provide input on the focus of the Finance Committee's scrutiny of the Welsh Government's 2022-23 budget.

This budget marks an important moment for the new Welsh Government. It has significance as the first budget since the Programme for Government (2021) and the publication of Welsh Government's new well-being objectives. It comes at a time when we are focused on the climate and nature emergencies following the UN Climate Conference COP26 and the launch of the Net Zero Wales plan for 2021-25, and during a critical period of shaping our economic recovery from the COVID-19 pandemic. As such, the need to put the well-being of future generations at the centre of this budget has never been more important.

With this in mind, I will be interested to see how Welsh Government demonstrate how their spend will help them meet their new well-being objectives and policy commitments in the new Programme for Government.

In recent years, my focus has been on the following policy areas, which I believe could have the biggest impact on current and future generations in Wales. I will be particularly interested to see how Government are prioritising spending in these areas for 2022-23 (further detail on each area provided below):

- investment in skills and training,
- decarbonisation of homes,
- responding to the nature emergency, and
- scrutinizing the Government's carbon impact assessment of its budget.

Alongside this, in recognition of the critical point in time of this budget in terms of the climate emergency, I will also be interested in understanding:

- whether the concrete commitments made in the budget deliver on the ambitions set out in Net Zero Wales and our national decarbonisation targets; and
- the synergy between Net Zero Wales, the budget, and priorities set out in the new Wales Infrastructure Investment Strategy.

A number of these areas overlap with the areas you highlight in your letter – climate change, inequality, key priorities for 'building back better' – as outlined below.

In terms of key policy investments that I've highlighted in recent reports, along with my *"Fit for the Future Programme for Government"* published in May, recommendations include:

- **Financing the decarbonisation of homes:** £14.75bn investment will be needed to 2030, which includes £1.7bn from Welsh Government; with specific recommendations to increase Welsh Government funding allocations as follows:

- £108m/year Social Housing Decarbonisation Grant and
- Doubling fuel poverty funding (through the Warm Homes programme) to £73m/year.
- **Skills:** my analysis has highlighted how investment to date has been inadequate. A skills pipeline along with investment is urgently needed for developing skills in key infrastructure projects in green industries and nature restoration, along with increasing opportunities for retraining, reskilling and transitioning to changing industries, providing a 'just transition' for workers.
- **National Nature Service:** this would deliver multiple wins of protecting nature and creating jobs. We estimate the total funding required to establish a NNS team would be £167,000 for 2021-22.

Below is some more detail on my areas of focus, which I hope will be of interest to Finance Committee as you consider your priorities for scrutiny:

1. Investment in Skills and Training

Earlier this year I published [my report with the New Economics Foundation](#) looking at the potential for investment in green jobs and skills versus how prepared our current skills, training and employability programmes are to cope with these changes. The main findings of the report are:

- Over 60,000 jobs could be created in the green economy in Wales over two years with infrastructure investment.
- However, the current skills pipeline is not prepared for this demand with our analysis suggesting low apprenticeship and training numbers in key sectors compared to potential job growth.
- There is a mismatch between levels of existing employment and potential; the level of job creation is significant compared to existing numbers.
- Funding to deal with this shortfall is insufficient to cope with demand and scale.
- Targeted and sustained action is needed to ensure green growth industries provide entry for Black, Asian and minority ethnic people; women; disabled people and those furthest from the labour market.

Even without the proposed investment, the report identifies significant shortfalls in the current upskilling infrastructure in Wales in its ability to deal with the scale and nature of the structural shifts our economy is experiencing. In the process, the report flags concerns regarding whether Wales is prepared for the delivery of a just transition, which makes good green jobs available for all.

In next year's draft budget, I will be looking at the level of budget provision for skills and retraining both as a critical pillar of decarbonisation and in supporting our economy to adjust to the changes brought about by the pandemic and Brexit. Recent Welsh Government commitments on skills have typically been short-term and limited in scale in comparison with the size of the transition needed. At the time, my report forecast double the allocated resources would be needed to deal with the multiple impacts of the pandemic, Brexit and transitioning to a low carbon economy. The investments announced to date are unlikely to be sufficient to provide the retraining and upskilling required or to offset the dramatic declines in participation in further education, adult and part-time higher education, and work-based learning seen over the past decade. Whilst the key policy drivers of these declines in adult learning sit with the UK Government, I am keen to see Welsh Government exploring all possible levers and financing mechanisms aimed at increasing investment in upskilling and retraining.

I am aware that Welsh Government are currently developing a Net Zero Skills plan, due for publication in Spring 2022, and it is imperative this budget provides sufficient resources and capacity to increase the scale and pace of change needed for our education, training and skill sectors.

2. Investment in the Decarbonisation of homes

A few months ago I published my "[Homes Fit For the Future: the Retrofit Challenge](#)" Report. This looked at the financing needs of the major home retrofit challenge faced in Wales, an investment essential both for meeting our climate goals, addressing fuel poverty and quality of life in Wales. It identifies a government investment need of around £5.3bn over the next ten years – £1.7 bn and £3.6 bn from Welsh and UK Governments respectively. Our modelling estimates that the total investment needed to upgrade or retrofit all homes in Wales is £14.75 with 64% of this coming from private finance. Our report also suggests various options for delivery and alternative finance mechanisms that should be explored urgently.

While pre-existing expenditure can meet some of this requirement, and recent announcements¹ suggest an additional £150m is forthcoming, a very significant gap remains. I will be looking to this draft budget to begin to put the foundations in place for a significant upscaling of our home retrofit programme that is urgently needed over the next few years. Welsh Government also need to be working closely with the UK Government to ensure that funding decarbonisation of homes is considered as essential infrastructure investment which could lead to significant economic benefits through creating new jobs, supporting local supply chains, as well as the health and environmental benefits that a national programme could deliver.

In their report "*Debt and the Pandemic*", the Equality and Social Justice Committee recommend that "The Welsh Government should provide clarity in its Draft Budget on how it will allocate sufficient funds up until 2024-25 to accelerate plans to bring all social homes up to Energy (EPC) Rating A to mitigate increased fuel poverty as a result of rising energy costs". The consultation on the forthcoming Warm Homes programme will need to signal how decarbonising fuel poor homes will be funded addressing the need to tackle 'the worst homes first' as has been acknowledged by Welsh Government.

3. Investment in Nature

Addressing the nature emergency is critical to protecting the well-being of future generations, and action cannot be isolated from the climate crisis.

While I welcomed Welsh Government's declaration of a nature emergency in June 2021, the actions and steps being taken in response are less clear. Spending on the nature recovery has been somewhat stagnant in recent Welsh Government budgets, with focus on the migration of EU agricultural spending into domestic budgets and progress in other areas stalling.

For example, in response to the draft budget for 2021-22, Wales Environment Link (WEL) highlighted that while there was an increase in the environment MEG in 2021-22, this was predominantly due to farming payments

¹ <https://www.insidehousing.co.uk/news/news/welsh-government-announces-additional-150m-to-retrofit-social-housing-73164>

being included and a realignment of ministerial portfolios. As a result, the bulk of the increase in 2021-22 could be attributed to those two reclassifications, rather than genuine new investment in the Welsh environment.

I was also disappointed to see relatively limited (financial) support in last year's budget for the recommendations set out by the Green Recovery Taskforce (being led by Natural Resources Wales). [The Dasgupta Review](#) highlights how our unsustainable engagement with nature is endangering the prosperity of current and future generations. This is why I believe better connecting people and communities with nature lies at the heart of tackling the nature emergency.

I am therefore keen to see plans for a National Nature Service (NNS) in Wales progressed with support and some financial investment from Welsh Government. I called for this in my '[Fit for the Future Programme for Government](#)' report earlier in the year. The NNS is a Wales-wide system intended to mobilise people in support of nature recovery, accelerating action at the pace and scale needed.

My office is working with key partners and engagement with Welsh Government Ministers and Officials is ongoing, with further detail being submitted in December. I'd be happy to share an overview of the NNS proposal with the Committee if this is of interest.

4. Overall Carbon impact of the Welsh Government budget

In advice to Government in 2020 we recommended² that they need to forensically analyse every aspect of their expenditure, especially capital spend, in terms of carbon impact and publish details on the overall carbon impact of their budget in a 'Carbon Impact Account'. Our suggestion was echoed in Recommendation 16 of the Senedd Finance Committee's report on the draft budget 2020-21:

Recommendation 16. The Committee recommends that the Welsh Government develops an understanding of the carbon impact of the budget and its spending decisions, and looks at how it can meaningfully demonstrate the carbon impact of future budgets.³

I note that since this advice was published, this call has been echoed by the UK Climate Change Committee in their 2021 advice to parliament, here termed a 'net zero test'.

A Net Zero Test would ensure that all Government policy, including planning decisions, is compatible with UK climate targets.⁴

Welsh Government responded positively to our advice, and for the first time alongside the 2021-22 budget an initial assessment was published of the carbon impact of Welsh Government spending. Unfortunately, the usefulness of this assessment for analysing the carbon impact of the budget was limited. The approach taken pursued a macroeconomic whole-of-economy approach to attributing the impact of Welsh Government spend.

² <https://www.futuregenerations.wales/wp-content/uploads/2020/11/FGC-Budget-Briefing-for-Committee-Members-ENGLISH.pdf>

³ <https://business.senedd.wales/mgIssueHistoryHome.aspx?Iid=25830>

⁴ <https://www.theccc.org.uk/publication/2021-progress-report-to-parliament/>

By contrast, the approach I recommended involved a bottom-up, investment-by-investment approach utilising the government's pre-existing tools for project carbon impact assessment.

Progress was made to this end in the Net Zero Wales plan. I was pleased to see an assessment made of the relative contribution to decarbonisation of policies proposed by Welsh Government's Transport department. While I recognise that such assessments are not perfect, and the undertaking of such assessments should not involve disproportionate expenditure, such analysis is important for understanding the true extent of progress the actions of Welsh Government are delivering in terms of addressing the climate crisis. I am keen to see such assessment further rolled out, across other departments, particularly where capital expenditure is involved, and when new policy announcements are made.

Until a comprehensive assessment of the Welsh Government budget is made available, it is not possible to know whether budget decisions are in fact having a net positive (or indeed negative) impact on decarbonisation in Wales. However, with support from the New Economics Foundation, I have been conducting my own highly-simplified approach to assessing changes in carbon spend. This analysis shows positive year-on-year improvements in the level of spending in key areas of the budget relevant to decarbonisation (see Table below).

I have recently asked the Finance Minister to clarify:

- How they are undertaking the carbon impact assessment of the budget this year;
- How will the policies and priorities in the forthcoming Net Zero Wales plan be considered within the budget process;
- Whether they have considered how the approach developed by Transport officials could be scaled up across other Welsh Government departments; and
- Whether they will be publicly committing to undertake a "Net Zero test" of the annual budget and the projects in the forthcoming Wales Infrastructure Investment Strategy to support Government's commitment to net zero.

5. Budget links to the Net Zero Wales plan

The recently published "Net Zero Wales" plan details a wide range of policies which Welsh Government hopes will deliver Wales' net zero by 2050 target, with a focus on actions that are needed during the second carbon budget (2021-25). I note, however, that without detailed carbon impact assessment of the majority of policies in the plan it is not possible to fully assess whether the plan is indeed of sufficient scope. There is no clarity provided on the approach being taken to assess carbon impact of budget decisions apart from a commitment to "aim to improve [our] understanding of how to effectively count the carbon impact of decisions and how multiple decisions interact to impact our overall targets". Welsh Government have already committed to aligning their financial and carbon budget cycles, so I will be interested to see whether the 2022-23 Draft Budget supports this alignment, ensuring investment is prioritised for key decarbonisation policies and actions in the new plan.

6. Equalities

I have recently published "[Inequality in a Future Wales](#)", in partnership with Public Health Wales. The research analysed the equalities impact of three future trends - the future of work, climate and demographic change. The

main finding of the report is that existing socio-economic inequalities in Wales risk being carried into the future unless they are specifically addressed. It suggests taking action on this would involve: looking for opportunities to promote equality in policy development across all areas; and creating opportunities for equalities advocates and policymakers to think and plan for the long-term in partnership as part of policy development processes. This reflects the ways of working set out in the Well-being of Future Generations Act; particularly integration, involvement and long-term.

I will be interested in understanding how the Government is demonstrating how they are addressing inequalities through their spending decisions, helping to support a just transition in addition to other well-being priorities.

Thank you for the opportunity to submit this evidence to your call for information. I look forward to discussing these issues with your Committee in January.

Yours sincerely,

Sophie Howe



Comisiynydd Cenedlaethau'r Dyfodol Cymru / Future Generations Commissioner for Wales

Table: NEF assessment of year-on-year changes in budget lines relevant to decarbonisation

	Tier 1	Tier 2	Tier 3	Tier 1+2+3	Non decarb spend
Budget	Primary decarbonisation spend	An unknown but likely small proportion of these budget lines goes on primary decarbonisation	With the right legislation in place a proportion of this spend goes on enabling decarbonisation	Sum of spending lines relevant to decarbonisation	Spending lines not clearly relevant to decarbonisation (primarily salaries and benefits)
Example	<i>Active travel spend</i>	<i>Regeneration spend</i>	<i>Social housing grants</i>		
19-20	2.09%	2.51%	5.62%	10.22%	89.78%
20-21	2.50%	2.53%	5.39%	10.42%	89.58%
21-22	2.94%	2.51%	5.88%	11.32%	88.68%

Senedd Finance Committee

Welsh Government Draft Budget proposals for 2022-23

26 November 2021

Introduction

ColegauCymru is a post-compulsory education charity; we promote the public benefit of post-compulsory education and learning. We also convene the further education (FE) Principals' Forum, which represents Further Education colleges and FE institutions (FEIs) in Wales. ColegauCymru also undertakes research, policy development and provides practical support to FE colleges in Wales, including on work-based learning (WBL) which is a key part of FE college activity.

ColegauCymru notes the ongoing difficulties that Covid-19 has caused for budgets and planning. For the Welsh Government 2021-22 budget proposals, it is essential that the Further Education budget is sufficient and flexible to deal with the challenges ahead. While increases over recent years are very welcome, the impact of inflation should be taken into account.

A significant part of increased funding is immediately absorbed by staff pay as the hard work and progress of those delivering for the sector is rewarded, in line with the Welsh Government priority of pay parity with teachers. Funding increases are also often the result of Welsh Government in-year additional pots of funding outside of the core allocation to FE. Again, while these are welcome and enable much positive work, they are not consolidated and so do not allow a firm basis on which to plan activity and delivery.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

1.1 The primary impact of Welsh Government funding has been the ability to plan with a degree of consistency. However, this is compromised somewhat by the one year budgeting, often highlighted as a weakness and also due to the complexity of funding streams available to institutions. Some of this still encourages nugatory competition and does not always promote cooperation or put the learner at the heart of planning decisions.

1.2 The committee should be aware that current FE and wider vocational funding can be classified as follows:

- Funding via an allocation methodology defined on a demographic projections of an analysis of the 16-19 year olds and their likely destinations of study.
- Funding for adult part time provision derived from an analysis of educational achievement, English language skills and economic circumstances.
- Funding via semi-competitive bidding for specific programmes to address the skills needs of adults in the workplace e.g. the Personal Learning Accounts.
- Competitively tendered contracts for Welsh Government Apprenticeship and support programmes such as Jobs Growth Wales Plus.
- Allocation based capital funding for maintenance and improvement of the FE estate and its facilities.

1.3 The Welsh Government publishes the FE funding allocations annually and the amounts for 2021/22 can be found on its website.¹ The Senedd Research service has previously published a useful review of Further Education Funding.²

1.4 From 1st August 2021 and as a result of a competitive tender process, FE colleges became the primary provider Welsh Government backed apprenticeships. The contract allocations for 2021/22 are also available publicly. This funding now managed in most instances by FEIs allows for a more joined up approach to meeting employers' needs as well as supporting learners. However, with specific rules and requirements relating to each main funding stream, and also the continued use of competitive tendering, more can be done to ensure that post16 funding is

¹ Welsh Government Further education institutions: allocations 2021 to 2022

<https://gov.wales/sites/default/files/publications/2021-10/further-education-institution-allocations-2021-22.pdf>

² Senedd Research A quick guide to post-16 education funding, originally published 2018,

<https://research.senedd.wales/research-articles/a-quick-guide-to-post-16-education-funding/>

sustainable, supports a resilient sector and above all allows learners to be supported irrespective of their programme of study.

1.5 Entering into a third academic year impacted by COVID, the consistent demographic driven funding methodology has provided a secure base from which to address both the normal challenges as well as the specific issues of the ongoing pandemic.

1.6 It should be acknowledged that the Government has also been able to respond to other needs of the sector. During the current Welsh Government financial year, the Further Education sector is grateful for additional funding. This includes that provided to support staff pay increases and the continued and increasing investment in Personal Learning Accounts for colleges to provide training for jobs in key sectors as well as in “the green economy”. This focus on individuals who are currently working in roles that pay below the average wage complements the re-investment in traditional FE adult part time courses. Investment such as this is helpful, although needs to be set against the comments above about consolidation and planning.

1.7 The impact of this funding has been the reintroduction of adult courses and a wide provision of training identified by employers and importantly individuals with funding for FE being based on a clear demographic need.

1.8 Specific funding requests for support to address COVID specific challenges such as catch up learning and one to one support have been largely well received by Ministers and have resulted in additional sums to cover these costs.

1.9 FE funding remains complex and based on a range of budget lines. It is important that allocations reflect the demographic needs e.g. the rise in specific cohorts of learners, as well as the operational costs that do not always rise or fall uniformly with learner numbers.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

2.1 As the effects of the loss of European structural funds start to be felt ever more keenly, the Welsh Government should prioritise ways to ensure continuity of support.

2.2 With Covid-19 recovery and the impact of Brexit on employers, there is considerable anxiety that, at a time when there is evidence of emerging increased need, many of the existing programmes are about to cease. This is likely to have a particularly negative impact on vulnerable learners – many of whom are supported by these programmes – who are also the most likely to have been hardest hit by the effects of Covid-19.

2.3 Similarly, Welsh Government should continue to make efforts to ensure that all learners can continue to achieve their full potential in the face of challenging and uncertain times. This needs

to take account of reports such as the recent Wales Audit Office ‘Picture of Higher and Further Education’ which noted that “The effect [of the pandemic] seems to have been most negative for those in the vocational sector, especially at lower qualification levels, and for learners who are already vulnerable due to deprivation, circumstances at home or learning disabilities”.³

2.4 Ongoing disruption to both vocational and academic learners must be addressed as the specific needs of cohorts of learners who have experienced disruption continue to emerge.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

3.1 The FE sector in Wales is responsibly managed and has negotiated the ongoing initial shock and ongoing disruption of COVID-19 as well as could be expected. However, there is uncertainty regarding revenue streams in the FE sector, with the loss of EU funds being especially challenging.

3.2 Although FEIs share common goals, the nature of the institutions is extremely diverse and therefore there are differences among colleges over financial preparation amid COVID-19. A flexible approach to supporting the FE sector from Welsh Government in its future budget is essential.

3.3 At the same time, to provide more certainty in planning and managing budgets, Welsh Government should explore how to deliver a three year funding model as outlined in the 2017 Wales Audit Office report, or what longer-term assurances it can give to the sector. This would allow for better planning provision across the sector.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

4.1 Any changes to budget and scrutiny processes must be proportionate and should not hamper the ability of the Welsh Government to respond quickly to changing circumstances. Members of the Senedd should be given sufficient time to ask questions of Ministers on financial and budgetary issues, and major statements or announcements should be made to the Senedd where MSs can ask questions and provide scrutiny.

³ Audit Wales, *A Picture of Higher and Further Education*, October 2021, paragraph 57 page 31. Available at: https://www.audit.wales/sites/default/files/publications/POPS-HE-and-FE-Eng_0.pdf

4.2 The reduction in Senedd Committee meetings should be re-examined with a view to reinstating more regular meetings as this allows for improved scrutiny.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

5.1 There should be some flexibility around the existing Fiscal Framework as the ongoing costs and impact of COVID-19 continue to emerge and to be understood. The Welsh Government should have all necessary channels available, including more flexible annual and/or overall limits to Welsh Government borrowing, to respond to the public health emergency and to adequately provide support should lockdowns or restrictions for example, continue to be a feature of 2022 and beyond.

5.2 Funding through the Barnett Formula disadvantages Wales. Although public spending levels have consistently sat above the national average, the formula does not take adequate account of the economic and social conditions in Wales.⁴ 27.43% of the Welsh population are aged 60+ whereas this figure is 29.95% in England.⁵ Additionally in Wales, 9.5% of the population hold no qualifications with 25.6% of residents holding a degree or equivalent. These figures in England are 7.9% and 30.2% respectively.⁶

5.3 The figures above indicate that there is a demographic skills gap in Wales which needs addressing, and the cumulative cost of reskilling and upskilling the population post-COVID is going to be higher than the UK average. Therefore, there should be a revision of top level funding in Wales to address the disadvantages caused and undoubtedly extended as a result of COVID-19 in Wales.

⁴ Dr Gillian Bristow, *The Barnett Formula and its Consequences for Wales, Final report for the Independent Commission on Funding and Finance for Wales*, <https://llyw.cymru/sites/default/files/publications/2018-09/barnett-formula-and-its-consequences-for-Wales.pdf>.

⁵ EMSI Analyst Tool

⁶ EMSI Analyst Tool

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

At present, we have no further comments beyond made in response to those in earlier questions.

Dr Rachel Bowen

Cyfarwyddwr Polisi a Materion Cyhoeddus | Director of Policy and Public Affairs

[REDACTED]

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Welsh Government Draft Budget Proposals for 2022-2023 – Music Venue Trust Submission

About Music Venue Trust

Music Venue Trust is a UK registered charity which acts to protect, secure and improve the UK's grassroots music venue circuit. We provide advice to the government, the cultural sector and the music industry on issues impacting on the network of venues and are the nominated representative that speaks on behalf of the Music Venues Alliance, an association of more than 900 such venues from across the UK. Within Wales we have 62 members of the Music Venues Alliance.

Principle Budget Requests

1. Permanently Eliminate Business Rates from the Grassroots Sector (see Section 1)
2. Eliminate VAT from Grassroots Music Venue Ticketing (see Section 2)
3. Support Community Ownership and Benevolent Ownership models to replace existing Commercial Ownership of the Sector (see Section 3)

Background

- A. Music Venue Trust welcomes the opportunity to provide information to the Welsh Government Draft Budget Proposals 2022-2023 Consultation on financial measures which could be included in the budget that would enable the Grassroots Music Venue sector to recover from the Covid crisis. Our aim is to build a sustainable and resilient touring circuit for artists to launch and develop careers.
- B. During the last twenty years, the Grassroots Music Venue sector has declined substantially:
 - I. 144 GMVs were trading in London in 2007.
 - II. Only 94 GMVs were trading in London in 2016, a reduction in trading spaces of 34.7%
 - III. The 2007-2015 permanent closures of small music venues that occurred across the country resulted in:
 - Reduced access to live music experiences
 - A decrease in performance/earning opportunities for musicians
 - Decline in the number of touring dates taking place in the UK
 - Decline in the number of affordable quality live music experiences
 - IV. Thanks to the work of Music Venue Trust in supporting the sector, by 2020 and prior to the COVID-19 crisis, we had 140 GMVs in London indicating that conditions within the GMV sector were beginning to stabilise after this sustained decline
 - V. Current systemic challenges threaten to plunge GMVs back into the prospect of prolonged decline.

- C. Grassroots Music Venues are the Research and Development department of the UK's £5.2 billion a year music industry¹, investing over £160 million every year into the development of new British talent, both frontline performing artists and supporting production and technical/logistics crew.² 12,051 people have direct jobs in this sector, which delivers 231,379 performances every year, with a total gross turnover of £371 million, including £129 million in ticket sales. In support of its role as the Research and Development department of the wider music industry, the desirable characteristics of a Grassroots Music Venue and its primary purposes to support the ecosystem, are:
- i. Investing in new talent
 - ii. Investing in creative careers
 - iii. Investing in local economy jobs
 - iv. Investing in place and community
- D. A GMV displaying these characteristics is an effective model of investment into Research and Development acting on behalf of the whole music industry.³
- E. Taxation, structure, and legal frameworks that surround this sector should seek to support the Research and Development purpose and not create barriers to it.

Consultation Questions:

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

- F. The Covid crisis magnified a number of existing issues surrounding this sector which reduce its effectiveness to deliver that purpose – these issues were not new or unknown to the sector, they were amplified by the crisis and the negative cumulative impact of them thrust into the limelight.
- G. MVT's work in this area stems from the consideration of the effective distribution of the 'Grassroots Pound' – it seeks to ensure that the maximum value of each pound spent by a ticket buyer at grassroots level promotes the purpose of investing in the development of new talent.
- H. 46.3p in every Grassroots Pound is lost to Business Rates, VAT and Commercial Rent. Only £5.37 of each £10 ticket is available to support the key economic purpose of the sector.
- I. Government support schemes resulted in a £140 million investment into this sector during the Covid crisis.

¹ UK Music (2020) Music By Numbers 2020 Report. Available at: <https://www.ukmusic.org/research/music-by-numbers-2020/>

² Music Venue Trust (2019) The Annual Survey - Available on request

³ Music Venue Trust (2019) Music Venue Trust Sound and Vision Report. Available at: <http://musicvenuetrust.com/wp-content/uploads/2019/07/SoundandVision.pdf>

- J. Despite this intervention, emerging from the Covid Crisis, the GMV sector is carrying in excess of £90 million in debt.
- K. Funding from the Welsh Government during the Covid-19 Crisis was an absolute lifeline to our Music Venues Alliance members.
- L. For example, £401,551 from the Grassroots Music Venue Relief Fund was granted to Welsh Grassroots Music Venues as a direct result of Covid-19 measures implemented in Wales.
- M. Welsh Grassroots Music Venues also received funding through the Culture Recovery Fund. In Round 1 Grassroots Music Venues were granted £2,290,290 and in Round 2 £1,248,466 was granted to Welsh Grassroots Music Venues. The result of this much needed funding is that the vast majority of Welsh grassroots music venues have been able to survive the immediate challenges presented by Covid-19 and have reopened to live audiences. We believe the impact of these measures taken by the Welsh Government helped to achieve the core purpose in ensuring the survival of grassroots music venues which make up a vital part of Wales's wider cultural ecosystem.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Music Venue Trust would encourage Welsh Government priorities for 2022-23 to focus on the following challenges in responding to the impact of the Covid-19 crisis:

SECTION 1: BUSINESS RATES

1.1 CHALLENGE

- A. The current system of business rates is anachronistic, inconsistent, and outdated. It fails to meet the principles of good tax design as it does not provide fairness, efficiency, convenience, or certainty for GMVs. Instead, what is evidenced is a tax design that varies wildly from location to location with little consistency. GMVs are placed, without explanation, into broad categories of rateable value premises which do not recognise GMVs as a distinct category with specific characteristics which are unique to the sector. The result of this is GMVs across the country are paying disparate rates that bear no relationship between the amount charged in business rates and the business operating from that premises^[4].
- B. These issues are exacerbated by the fact that there are two different calculation methods used when business rates are determined. Venues who have their business rates calculated by fair maintainable trade have, on average, a rateable value that is 18% higher than venues who have their current rateable value calculated by square meterage.^[5] The failure to have a single method of calculation in place leads to a high degree of variation within the business rates system. This degree of variation leads to

inconsistency, causing venues with similar characteristics of operation and location to be treated differently by the tax system.

- C. GMVs are the Research and Development centres of the UK live music industry. They are the small business entrepreneurs of the UK music industry, taking exceptional risks with programming and support for new and emerging artists. This activity produces long-term, significant economic outcomes for the wider industry and for the UK. In 2019, the UK Music Industry provided:^[6]
 - a. Total GVA: £5.2 billion
 - b. Total Export Revenue: £2.7 billion
 - c. 190,935 FTE jobs.
- D. The business rates system is a blunt taxation collection system which addresses this activity purely through the lens of economic viability and assesses that economic activity solely at the point of delivery without consideration of its wider and longer-term impact. However, doing so is a misunderstanding of why GMVs operate and their motivations. As the Research and Development arm of the live music industry, GMVs consistently exhibit negligible individual profit margins at the point of delivery, supporting the development of new artists and creation of new intellectual property assets through not-for-profit activity. This investment creates substantial value elsewhere in the wider cultural and local economy. For example, in the local economy for every £10 spent on a GMV ticket, £17 is spent elsewhere in the night time economy^[7]. As noted in our background statement, the work created in GMVs is the bedrock of a multi-billion pound music industry, but the GMVs which develop those artists and that IP are not partners to the profits that it generates. This role as an instigator of both activity and talent is not recognised within the rates system as there is no category for GMVs which might acknowledge it and the specific economic models which support it.
- E. Historically, GMVs have remained under commercial business structures due to the lack of support and financial means to convert to a not-for-profit model which better recognises the cultural output and activity taking place. MVT has sought to address this with some success. In 2015 3% of our network of GMVs had a not-for-profit business model. MVT has encouraged and offered support for GMVs to convert to not-for-profit business models and in 2019 the figure had risen to 31% of our network^[8]. We anticipate the continued rise in GMVs converting to not-for-profit status. This rapid growth in not-for-profit operators as the management model for GMVs underpins our view that most operators are motivated by cultural objectives rather than commercial motivations.
- F. We note that the move towards not-for-profit management structures has not resulted in rate relief reaching the new operating entities; our survey of 2019 demonstrated no increase in the number of venues accessing rate relief from their local authority despite the large number now identified as not-for-profit who might therefore qualify for such relief.
- G. Charging business rates removes value from the creative economy.^[9] By returning very little value to the venue or the creative economy the business rates system

penalises the activities that GMVs engage in when programming emerging talent. Example: The Old Market, Brighton, which experienced a 66.7% increase in their current rateable value between 2014 and 2019 without seeing a significant reciprocal return of value into the venue itself or experiencing any significant ability to meet the taxation demand through increase in profitability and/or commercial charges for entry.^[10]

- H. The existing Business Rates mechanism risks penalising physical cultural space in comparison to digital space. GMVs are physical spaces in which talent and intellectual property is developed, created and showcased. The current business rates system places a tax on these physical spaces which is in no way replicated in digital and virtual spaces.^[11] This creates a disparity in taxation between intellectual property that is showcased online and intellectual property that is showcased in physical venue spaces. The taxation of physical venues creates economic barriers to a physical venue's ability to programme cultural activity and results in a taxation mechanism which does not meet the aims of fairness or equity.
- I. Even prior to the COVID-19 crisis, the GMV sector operated with high overheads, show costs and tight margins^[12]. The increasing costs associated with business rates act as an added pressure and as a deterrent to any would-be venue operator wanting to open a GMV. Venues, particularly in larger cities across the UK, are finding it increasingly difficult to pay business rates.
- J. GMVs struggle to afford to pay business rates in city centres as they do not benefit from the increased footfall acuity a centre provides for businesses like retailers. Unlike retailers, GMVs can only have one gig limited by their capacity per evening. For example, Gullivers in Manchester city centre pays £300 per capita yearly, while The Live Room Manchester, who are situated just outside of the centre pay £80 per capita yearly.^[13]
- K. Overall Business Rates rose by 5% from the years 2017/2018 to 2018/2019^[2] (the 2018 inflation rate was 2.48%^[3]). This sustained rise significantly above the rate of inflation has had a detrimental impact on our network of GMVs in the UK.
- L. Research shows that GMVs revitalise the high street, for every £10 spent on a GMV ticket £17 is spent in the local economy on food, drink, and transport. However mounting business rates are driving GMVs out of city centres. With the COVID-19 crisis exacerbating the decline of the high street, reform of the business rates system is needed to stimulate the economic revival of our high streets.
- M. Our evidence shows that a high proportion of GMVs have a rateable value of over £51,000 and would therefore not have been able to benefit from the GMV business rates relief. In the majority of cases these venues have occupied their locations for decades and the costs of that location, an unintended consequence of city regeneration projects, have driven their current rateable value up to levels which are unsustainable^[4].

1.2 SOLUTION

It is imperative that a bold reform of the business rates system takes place to redress the issues laid out in this submission and prevent a painful decline of the GMV sector. Without bold reform, we will see a repeat of the reduction in GMVs witnessed between 2007 and 2016^[15]. Music Venue Trust has a number of principal and subsidiary recommendations that ensure the intent of the business rates system is better served. These are ordered according to principal recommendation and subsidiary recommendations. In the event that our principal recommendation cannot be achieved, our subsidiary recommendations work together to ensure that the principles of good tax design, including fairness, consistency, effectiveness and certainty, are better delivered within the current rates regime.

1.2.1 Principal Recommendation

A. Exempt Grassroots Music Venues from Business Rates

The current Business Rates system struggles to satisfy the principles of good tax design. Keeping GMVs within a system that does not achieve fairness is not equitable. The Treasury should therefore take this opportunity to remove GMVs from the business rates taxation mechanism entirely.

1.2.2 Subsidiary recommendations

B. Extend the Grassroots Music Venue Discount offered in January 2020 for a significant period to allow the sector to recover from the impact of Covid

Relief should be made broader in order to target all GMVs. A 3 year moratorium on paying rates for all GMVs, including venues with a rateable value of over £51,000, will encourage the recovery of the GMV sector in the aftermath of the COVID-19 crisis. GMVs need an extended period of relief in order to combat the damage that COVID-19 is having on our sector's ability to trade. Unlike other retailers, relief needs to be targeted towards GMVs as they face a sustained period of economic inactivity without the means to meet any rates demands.

C. Create a specific relevant category for GMVs within the Business Rates Mechanism

Establish a sector specific category within the Business Rates framework for use by the Valuation Office Agency. The creation of a category for cultural usage that recognises the economic, cultural and societal contribution that GMVs provide would mitigate many of the inconsistencies of the current mechanism.

D. Reform Business Rates to establish a connection between payee and benefits

A reform of business rates so that there is a direct link between the payment of rates and tangible benefits that can be reinvested back into the GMV sector.

E. Mandate Rates Relief for Not-For-Profit Entities

All GMVs that have a not-for-profit structure should be able to access 100% rate relief. A failure to mandate this at a national level results in lack of equity and fairness within the Business Rates mechanism.

1.2.3 Current Reliefs

- A. In January 2020 GMVs with a rateable value of under £51,000 were given a 50% discount on future rates in recognition of the specific challenges that the Business

Rates mechanism faces in relation to GMVs. This relief was offered for a year-long period during which it was proposed that a deeper analysis of the impact of Business Rates on GMVs would take place.

- B. This discount was extended to a 100% relief in March 2020 as a response to the COVID-19 crisis. The scope of the discount was extended to include all GMVs irrespective of their rateable value.
- C. Whilst this type of relief measure is welcomed by Music Venue Trust it does not resolve the issues and inequalities that exist within the business rates system which have been recognised by the Welsh Government. These temporary reliefs were intended to provide the space and opportunity to explore solutions to these longer term challenges.

We urge the Welsh Government to go further than the measures taken by HM Government to redress the challenges and inconsistencies found within the rates system. By using their devolved powers the Welsh Government budget could choose to take proactive, appropriate and progressive steps to genuinely reform the rates system for the better and bring it more inline with the principle of equitable and fair taxation.

1.3 COST

£22,236,474 – total value of all business rates paid by Grassroots Music Venues in 2019

1.4 SUPPORTING INFORMATION

The recommendations Music Venue Trust have proposed are achievable, constructive and will have an immediate impact in ensuring the effectiveness of the current system. Reforming the business rates regime will help it better meet its intended purpose, remove inconsistencies, and deliver a taxation mechanism that is simple to administer. Spiralling business rates act as a barrier to a GMVs' ability to programme cultural activity. These strains, which are worsened by the current COVID-19 crisis, threaten the prospect of a revitalised high street. Mounting business rates act as a deterrent for any would-be venue operator wanting to open a GMV in our towns and cities. With the prospect of empty buildings on our high street as a result of COVID-19, there is an opportunity to take wholesale reform of our rates system that would encourage venue operators to open new GMVs on high streets. This in turn would help revitalise our towns, cities and communities in the aftermath of COVID-19.

Inconsistencies with the rates system are further compounded by the disparity created between physical spaces that are subject to business rates in a way that digital and virtual spaces are not. This creates a system of tax inequality between intellectual property that is showcased online, and intellectual property showcased at venues.

We urge the Welsh Government to heed our recommendations for bold reform as without it GMVs will be plunged into another decade of decline. These recommendations will help bring parity to the tax system allowing our GMVs to continue to act as spaces where valuable intellectual property is developed, created and showcased. These reforms are

needed to help strengthen the UK's live music industry so that the unique global standing we have gained through our live music sector remains the envy of the world.

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- ^[1] Music Venue Trust (2019) *DCMS Live Music Inquiry Response*
<http://musicvenue trust.com/wp-content/uploads/2019/03/Digital-Culture-Media-and-Sport-Comittee-Live-Music-Ninth-Report-of-Session-2017-2019.pdf>
- ^[2] Ministry of Housing, Community and Local Government (2020) *National non-domestic rates collected by local authorities: England 2018-19 (revised)*
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863944/NDR3_2018-19_stats_release_revised_Feb_2020.pdf
- ^[3] ONS (2020) *Inflation and Price Indices*
<https://www.ons.gov.uk/economy/inflationandpriceindices>
- ^[4] Music Venue Trust (2019) - *Business Rates Review 2019* - available on request
- ^[5] Music Venue Trust (2019) *Town Hall Presentation* - available on request
- ^[6] UK Music (2019) *Music by Numbers Report*
https://www.ukmusic.org/assets/general/Music_By_Numbers_2019_Report.pdf
- ^[7] Mayor of London (2017) *Rescue Plan for London's Grassroots Music Venues - Progress Update* https://www.london.gov.uk/sites/default/files/rescue_plan_for_londons_grassroots_music_venues_-_progress_update_-_jan_2017.pdf
- ^[8] Music Venue Trust (2019) *Town Hall Presentation* - available on request
- ^[9] Ministry of Housing, Community and Local Government (2019) *Local Authority Revenue Expenditure and Financing: 2019-2020 Budget England* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/812505/Local_Authority_Revenue_Expenditure_and_Financing_2019-20_Budget_England.pdf
- ^[10] Music Venue Trust (2019) - *GMV Case Studies: Comparative Analysis* - available on request
- ^[11] Annette Nellen (2012) *Internet Taxation and Principles of Good Tax Policy*
<https://onlinelibrary.wiley.com/doi/abs/10.1515/1944-2866.1152>
- ^[12] Music Venue Trust (2019) *Town Hall Presentation* - available on request
- ^[13] Music Venue Trust (2019) - *GMV Case Studies: Comparative Analysis* - available on request
- ^[14] Music Venue Trust (2019) - *GMV Case Studies: Comparative Analysis* - available on request
- ^[15] Music Venue Trust (2019) *DCMS Live Music Inquiry Response*
<http://musicvenue trust.com/wp-content/uploads/2019/03/Digital-Culture-Media-and-Sport-Comittee-Live-Music-Ninth-Report-of-Session-2017-2019.pdf>

SECTION TWO: VAT

2.1 CHALLENGE

Although we acknowledge that the Welsh Government does not have devolved control over VAT rates, we urge the Welsh Government to consider the following challenges with VAT. We ask them to support the recommendations and use their position to highlight the challenges and the solutions proposed.

16.3% of the value of every ticket sold at a Grassroots Music Venue event is lost to VAT.
Based on 2019 data (latest available):

- A. Grassroots Music Venues sold tickets to a total value of £129 million, with a total potential VAT liability of £21.5 million
- B. Grassroots Music Venues invested £161.5 million in the delivery of live music events, with a total potential reclaimable VAT of £27 million
- C. Live music is a not-for-profit activity within the Grassroots sector, which generates huge potential tax returns in future for the Welsh government. Delivery of it should be supported and encouraged by a tax regime that promotes the highest possible investment in that future potential
- D. VAT on Grassroots Music Venue tickets is a direct taxation on Research and Development, removing the potential of investment into new and developing talent, and adding to the burden of cost for the delivery of live music opportunities
- E. The United Kingdom has the highest level of taxation on cultural tickets of any comparable country in the world and the highest rate in Europe
- F. HM Government did not make use of cultural exemptions from VAT available to it while a member of the EU (Annex III of the VAT Directive). It was unique in failing to apply the available exemptions among all our comparable live music markets; grassroots music venue ticketing is taxed more highly in the UK than any other country in Europe, resulting directly in a reduced ability to invest.

2.2 SOLUTION

2.2.1 Primary Recommendation

- A. Eliminate VAT from Grassroots Music Venue Ticketing

2..2.1 Extension of VAT reduction

- B. The reduced 5% VAT rate on ticket sales was an important Government intervention in 2020. This policy was a recognition of the direct cash injection the industry needed during this period. However, the forced closure of the industry and dramatic reduction in ticket sales meant there was minimal benefit of this policy in real terms. The extension provided by the Government in the March Budget was warmly welcomed, but with the tapering of the policy that is set to end in April 2022 the sector faces a cliff edge in terms of relief at a time when it is just getting back on its feet.

- C. The live music industry operates with large upfront costs to stage and produce activity. The prolonged closure of the industry resulted in extremely limited cash flow across the industry, which will take years to rebuild. The single most effective way to direct cash into the bottom line of struggling companies would be to extend the VAT reduction on ticket sales for a following three years. We urgently call for HM Government to reconsider this decision, in order to provide a lifeline for the sector as it begins to rebuild. We also call on the Welsh Government to use their position of power to support this call and recommendation.
- D. This would be a transformative intervention and if the VAT rate was returned to its 5% rate it would save the industry £765 million over a three period; money which could then be reinvested to support jobs, supply chain businesses, local communities and boost the economic recovery across the UK.
- E. Whilst this policy is currently linked to several industries, we request the retention of this policy for the live entertainment industry. This would recognise the unique business model that our businesses operate under with very high up-front costs, significant preparatory time needed ahead of large events and the extended closure period in comparison to other industries.

2.3 COST

- A. Elimination of VAT within Grassroots Music Venue ticketing initially appears to be a cost neutral measure. However, all 928 venues within the grassroots circuit operate a mixed economy business model in order to underwrite the cost of live music (typically bar and catering services)
Based on 2019 data (latest available):
- B. £372 million – total turnover
- C. £62 million – potential VAT liability
- D. £344.5 million – total expenditure
- E. £57.5 million – potential reclaimable VAT
- F. £4.5 million – total potential cost of an exemption for Grassroots Music Venue ticketing to support investment into Research and Development of new talent
- G. £3.375 million – total potential cost of a 5% rate for Grassroots Music Venue ticketing to support investment into Research and Development of new talent.

2.4 SUPPORTING INFORMATION

- A. The small-scale cost of exemption, less than £5 million per year, is a measured and intelligent step that advocates for investment into Research and Development. It makes best use of the opportunities for a uniquely British approach to culture and investment afforded by Brexit
- B. A rate of 5% would bring the UK into line with our closest European competitors

SECTION THREE: OWNERSHIP

3.1 CHALLENGE

93% of the UK's Grassroots Music Venues are operated by leasehold tenants

The existing private freehold owner/leasehold tenant model is a significant weakness and threat within the sector. It results in:

- **Poor use of available resources resulting in under investment**
- **Lack of security, resilience and sustainability**
- **Less investment in British talent, intellectual property and training/apprenticeships**
- **Less investment in Britain's high streets and town centres**
- **Permanent loss of vital cultural spaces**

As a result of the Covid crisis, the current financial circumstances and valuation of these cultural premises presents a unique opportunity for an ethical private investment package that protects vital cultural activity. It should be noted that these premises are being considered by private investors seeking an opportunity to maximise profit from the premises by the removal of the cultural activity.⁴

The UK's Grassroots Music Venue circuit presents a unique model of ownership which creates specific challenges to the resilience and sustainability of the sector. This model of tenants/private commercial landlords is not replicated in other European nations, which exhibit a mixture of owner/operator spaces and government funded premises, or in similar music markets such as USA, Canada or Japan, where owner/operator is the dominant market model.

The existing constraints on usage of Social Investment Tax Relief arise from compliance to EU standards and practice. Brexit presents an opportunity for the government to consider how to optimise an existing policy and tax relief to address the specifics of Britain's culture and creative industries so that it specifically addresses circumstances and need unique to the UK.

3.2 SOLUTION

Music Venue Trust can create a more sustainable, profitable and community-led ownership model that supports the Grassroots Music Venue (GMV) incubators that underpin Britain's £5.2bn music sector. **The Welsh Government can support this project through two modest changes to the Welsh budget:**

Music Venue Trust wants to change the ownership model of GMVs by:

- **Encouraging Communities to acquire their local Grassroots Music Venue through Co-Operatives, Community Benefit Societies and other mechanisms which can issue Community Shares**

⁴<https://www.theguardian.com/business/2021/jan/19/most-non-food-pubs-england-still-awaiting-1000-covid-grants>

- **Unlocking private investment capital to finance an ethical, British based national property management entity to acquire freeholds and move them into protected ownership**

We are requesting that the Welsh Government encourage private investment that supports this activity in the budget by:

- 1. Expanding the scope of the Community Ownership Fund**
- 2. Optimising Social Investment Tax Relief so it can be offered to enterprises undertaking leasing and rental activity of premises hosting cultural performances**

Changing the ownership model is a major opportunity which aligns the interest of freeholders, tenants, communities and artists. Delivering this change strengthens the sector, providing:

- **Protected Tenancies with greater resilience and sustainability**
- **Managed rent demands which reflect a shared purpose between landlord and tenant**
- **Opportunities for sector wide initiatives on access, diversity, and opportunity**
- **Focus of available resources on the primary purpose of a Grassroots Music Venue; research and development of, and investment into, new and emerging talent**
- **More resources to invest in local, community initiatives and plans for the future.**

This request is complementary to, and will support the success of, existing HM Government agenda and policies:

- **Levelling up**⁵
- **Producing resilience**⁶
- **Supporting small towns and high streets**^{7 8}
- **Leasehold reform**⁹
- **DCMS The Culture White Paper 2016: (in particular section 4 Cultural Investment, resilience, and reform)**¹⁰

3.3 COST

⁵ Danny Kruger (2020) *Levelling up our communities*. Available at: <https://www.dannykruger.org.uk/sites/www.dannykruger.org.uk/files/2020-09/Kruger%202020Levelling%20Up%20Our%20Communities.pdf>

⁶ London School of Economics (2020) *Recovering from Covid-19 in the UK: how to design an inclusive, resilient and sustainable growth strategy*. Available at: <https://www.aldersgategroup.org.uk/asset/1684>

⁷ Department for Communities and Local Government(2013) *The Future of The High Street*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/168023/Future_of_High_Streets.pdf

⁸ We Made That and LSE Cities (2017) *Highstreet For All*. Available at: https://www.london.gov.uk/sites/default/files/high_streets_for_all_report_web_final.pdf

⁹ Ministry for Housing, Communities and Local Government (2021) *Government reforms make it easier and cheaper for leaseholders to buy their homes*. Available at: <https://www.gov.uk/government/news/government-reforms-make-it-easier-and-cheaper-for-leaseholders-to-buy-their-homes>

¹⁰Department for Culture, Media and Sport (2016) *The Culture White Paper*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/510798/DCMS_The_Culture_White_Paper_3_.pdf

3.3.1: Sitr

HM Treasury forecast an annual cost of up to £35million a year for Social Investment Tax Relief. In the first three years of operation it cost less than £2million¹¹, and attracted less than 100 applications.

The total estimated value of the Grassroots Music Venue freehold estate is **£361 million** consisting of:

- Total GMVs (UK): **927**
 - Venues UK (excl. London): **742**
 - Venues in London: **185**
- Average GMV Property Value in the UK: **£389,428**
 - Total GMV Property Value in the UK: **£361 million**
- Average GMV property value in the UK (excl. London): **£294,278**
 - Total GMV Property Value in the UK (excl. London): **£218.5 million**
- Average GMV property Value London: **£770,317**
 - Total GMV Property Value (London): **£142.5 million**

Outside London, assuming a ten year project of acquisitions of the entire estate, the annual predicted cost of a 30% tax relief modelled on the existing Sitr would be **£6,555,000**, with a maximum total value of **£65,550,000** across 10 years.

3.3.2 Community Ownership Fund

The Community Ownership Fund is a £150 million fund over 4 years to support community groups across England, Wales, Scotland and Northern Ireland to take ownership of assets which are at risk of being lost to the community. The aims of the fund are fully aligned with the goals of Community Ownership presented by Music Venue Trust. However, access to the fund is limited to single interventions, i.e. on a premises-by-premises basis.

If the Treasury elected to amend the fund so that multiple projects could be considered within a single application, this would enable the sector to bring forward a comprehensive bid to the fund. The financial impact is budget neutral; amendment to the application criteria can achieve the purposes of the fund while supporting Music Venue Trust's Community Ownership initiative. We would like to urge Welsh Government to support these recommendation and to use their position to support these small but meaningful amendments.

¹¹Pat Sweet (2019) *Treasury probes value of social investment tax relief*. Available at: <https://www.accountancydaily.co/treasury-probes-value-social-investment-tax-relief>

3.4 SUPPORTING INFORMATION

3.4.1 CONTEXT AND THE ISSUES: THE GROWING NEED FOR COMMUNITY OWNERSHIP

The UK's Grassroots Music Venues experienced significant market failure between 2005 and 2015, resulting in the loss of over 35% of trading spaces.¹² This loss is significant not only within the sector, equating to the loss of circa 400 cultural spaces providing over 6000 direct jobs, but has a broader impact upon the sector's ability to support the development of valuable assets for the wider music industry.¹³ Based upon 2019 surveys, it can be assessed that the loss of these spaces equates to a direct loss of £56.5 million per annum in investment by the grassroots sector into new British talent. The failure to protect investment within the grassroots sector can be seen in longer term impacts on the wider music economy.¹⁴

Since 2014, Music Venue Trust has been working to understand the operational model, economic factors and legal position surrounding Grassroots Music Venues that provoked this market failure and resulted in this downturn in investment.

An initial report published in January 2015 established the parameters of this work, identifying a series of internal and external challenges¹⁵:

- Reputation, recognition and understanding of the work of GMVS
- Legal and Licensing Framework
- Models of Taxation
- Organisational Structure
- Music Industry standard customs and practice
- Ownership

The Charity has taken a series of steps with key stakeholders since 2015 to address these six challenges, working with the sector itself, government and industry to secure, protect and improve venues. This work has been extremely successful; for the first time in two decades more venues were trading at the end of 2019 than at the start of the same year.

The Charity now wishes to take steps to address the sixth pillar of these challenges, Ownership, which underpins many of the other factors which have negatively impacted on the resilience of the sector and its ability to invest in new talent development. 93% of the Grassroots Music Venue sector are tenants.¹⁶ Their landlords are a mixture of individuals with inherited property rights, property portfolio companies (frequently pension investments), local authorities, pub cos, and property management agencies. These landlords do not share the defining characteristics which deliver the primary purposes of a Grassroots Music Venue; they are not seeking to invest in the development of new talent, creative careers, or local economy jobs. These are commercial investment properties from

¹² Music Venue Trust (2019) *Music Venue Trust Sound and Vision Report*. Available at: <http://musicvenuetrust.com/wp-content/uploads/2019/07/SoundandVision.pdf>

¹³ Music Venue Trust (2019) *Town Hall Presentation* - Available on request

¹⁴ Music Venue Trust (2019) *The Annual Survey* - Available on request

¹⁵ Music Venue Trust (2016) *London's Grassroots Music Venue Rescue Plan 2015*. Available at: http://musicvenuetrust.com/wp-content/uploads/2016/09/londons_grassroots_music_venues_-_rescue_plan_-_october_2015.pdf

¹⁶ Music Venue Trust (2019) *The Annual Survey* - Available on request

which they are seeking maximum financial return, which often leaves the UK through non-domiciled entities, rather than being reinvested in the country. This is counter intuitive to the agreed aim and purpose of the sector, and to the actions and activities of key stakeholders, including national and regional government, for the last five years. The existing private freehold owner/leasehold tenant model is a significant weakness and threat within the sector. It results in:

- Poor use of available resources resulting in under investment
- Lack of security, resilience and sustainability
- Permanent loss of vital cultural spaces

Since 2015, a great deal of work has been delivered seeking to maximise the potential for GMVs to deliver their primary purpose. Tackling the issue of ownership is the important next step in this process.

3.4.2 A BETTER MODEL OF OWNERSHIP

By reimagining how venues are owned, we will unlock the full potential of Grassroots Music Venues as Cultural Research and Development spaces, enhance communities and ensure that other steps taken to maximise the resilience of their primary purposes have true impact. These venues will also have more resources to invest in local British talent, which will create more exportable intellectual property that will underpin and foster Global Britain. Changing the ownership model so that the sector has a protected infrastructure is a major opportunity which aligns the interest of freeholders, tenants, communities and artists.

Delivering this change strengthens the sector providing:

- Protected Tenancies with greater resilience and sustainability
- Managed rent demands which reflect a shared purpose between landlord and tenant
- Opportunities for sector wide initiatives on access, diversity, and opportunity
- Focus of available resources on the primary purpose of a Grassroots Music Venue; research and development of, and investment into, new and emerging talent

Music Venue Trust aims to deliver this outcome by:

- Encouraging Communities to acquire their local Grassroots Music Venue through Community Share Businesses and other mechanisms
- Creating an ethically based national property management entity to acquire freeholds and move them into protected ownership - Music Venue Properties, a new registered charity

The concept of community/protected ownership of local/cultural assets of significant importance is not unique to the grassroots music venue sector, nor are the steps to achieve it new or unusual. The need for action is simply magnified by the prevalence of private freehold ownership in a sector in which we wish to encourage the maximum use of resources to support the development of new talent. In the 2019 manifesto, the Conservative Party pledged to establish a £150 million Community Ownership Fund to encourage local takeovers of civic organisations or community assets that are under threat (e.g. pubs, football pitches, post offices etc).¹⁷ The Government has been supportive of Asset

¹⁷ Conservative Party Manifesto (2019) *Get Brexit Done Unleash Britain's Potential*, p26. Available at: https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf

of Community Value applications and a greater mix of uses to support training, development and upskilling.¹⁸

The Grassroots Music Venue sector is a prime candidate for ethical private investment; Music Venue Trust has discussed this opportunity with private investment companies and individuals and established models of community ownership (locally and nationally) and there is significant enthusiasm for such a project. There is a great deal of dormant private capital which could be unlocked by a coordinated and effective campaign to take ownership of the freeholds, protect tenants, and improve their tenancy conditions.

3.4.3 GOVERNMENT SUPPORT FOR THIS INITIATIVE

Given the UK's creative industries are the nation's third-largest sector and music is a key driver of this revenue we believe the government should seek to support this initiative by encouraging private investment. This can be achieved by:

- 1. Expanding the scope of the Community Ownership Fund**
- 2. Optimising Social Investment Tax Relief so it can be offered to enterprises undertaking leasing and rental activity of premises hosting cultural performances**

Both these measures present opportunities to further cement the sector's and the nation's global position as we develop the opportunities of Brexit and create a global leading asset class that is uniquely British, uniquely local and based on innovation, regeneration and continuing to be a global leader in the field.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

Music Venue Trust as an organisation is in the process of moving towards a paid membership model for the 2022-23 financial year. This was a plan that we had prior to the Covid-19 crisis and that we were originally going to introduce and implement in 2020. As the crisis unfolded we took the organisational decision to place our paid membership on hold so that we could focus solely on delivering the core support and crisis work our members needed during the pandemic. We now feel that the 2022-2023 financial year is the appropriate time to implement our paid membership model. The creation of our paid membership model for our existing Music Venues Alliance network, in combination with our ongoing strategies for fundraising from the public, private institutions and legacies, will help create long-term financial sustainability for the organisation. This in turn will enable Music Venue Trust to continue to grow the work we have been doing with our Welsh grassroots music venue, our partnership with Welsh creative and cultural organisations, expand our information sharing for our Welsh network, grow our skills based projects to enable young people to enter the sector and help strengthen the resilience of the grassroots music venue sector.

Accepting that there will be ongoing uncertainty within our sector having a Welsh budget which clearly outlines how the Welsh Government intends to support Grassroots Music

¹⁸ *Assets of Community Value (England) Regulations 2012* (SI 2012/2421) Available at: <https://www.legislation.gov.uk/uksi/2012/2421/contents/made>

Venues is something that we urge the Welsh Government to include in their budget. If the intention of cultural policy is to protect and support Wales' grassroots music venues then we urge the Welsh Government to use clear signposting in its policy language that includes the words Grassroots Music Venues so that the policy wording aligns with its intentions.

Doing so will enable Music Venue Trust to better support our members in their recovery in a post-pandemic environment. The funding that was granted to grassroots music venues during this crisis signified a significant step forward for the Welsh Government in recognising the cultural worth of our sector. We would urge the Welsh Government to continue this support by outlining a firm commitment to grassroots music venues in the budget.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

Ministerial accountability and transparency lies at the heart of good policy making. During this crisis we have found that the efficiency of the funding landscape, particularly in the distribution of cultural grants in Wales, was an incredibly important factor in the survival of the Welsh grassroots music venue sector. We believe that much can be learnt from taking into consideration the processes and collaborative working that worked well during this crisis and carrying this into their planning of cultural policy and budgeting going forward.

Peredur Owen Griffiths MS
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Cyflwyniad ar y cyd gan Barnardo's Cymru, Cymdeithas y
Plant, Plant yng Nghymru, NSPCC Cymru, Achub y Plant a
Home-Start Cymru / Joint submission from Barnardo's
Cymru, The Children's Society, Children in Wales, NSPCC
Cymru, Save the Children and Home Start Cymru

26th November 2021

Dear Peredur Owen Griffiths MS,

Re: Welsh Government Draft Budget Consultation

We write to you as a collective of organisations (listed below) working to improve the lives of children, young people and their families in Wales, in response to the consultation on Welsh Government's Draft Budget.

Central to recovery from Covid-19 must be resourced support across Wales for children and young people living with poverty, mental ill health, violence and abuse and those children on the edge of care or care experienced. It is crucial as we continue our recovery from the pandemic that children and young people are at the centre of this recovery.

Below, we have submitted joint recommendations for a budget that delivers for children and young people.

Ending Child Poverty

The cost of living and children living in poverty is an increasing concern for the families that we work with. It is our concern that this will intensify in the coming months due to the increase in inflation, fuel prices and as the impact of the Universal Credit uplift removal is felt. In addition to this, the negative impact that poverty can have on mental health is well known and can cause considerable problems within families. We maintain our call (alongside the End Child Poverty Network) for a Child Poverty Strategy with a delivery plan and assigned budget which would allow for clear scrutiny of Welsh Government's action in this regard.

We welcome the 2021 Cooperation Agreement between Welsh Government and Plaid Cymru which commits to extending free school meals to all primary school pupils as well as expanding free childcare to two-year olds. We look forward to supporting the implementation of these policies, and would also encourage Welsh Government to consider a number of other key areas to support children, young people and families in the upcoming budget, aligned with the priorities identified in the Programme for Government

It is well-recognised that the first 1000 days of a child's life are critical for their future development and wellbeing, we welcome the planned expansion of Flying Start but want to see an enhanced service for all parents of 0-4-year-olds across Wales, as well as a focus on the impact poverty can have on families, so practitioners can support them in a non-stigmatising way.

Mental Health

Like all of us, children and young people have been through an incredibly traumatic period since the pandemic began.

Mental health will continue to be a major issue as we seek to recover from the pandemic, and we would recommend the following priorities for Welsh Government around children and young people:

- Ensure CAMHs are better resourced so all children and young people can access support when needed and children have access to long-term recovery after initial interventions.
- Ensure care experienced children receive the consistent mental health assessments and support they need.
- Increase community-based, therapeutic support for children and their families, providing support for those children who are pre-CAMHS
- Ensure that there is a sufficiently resourced, genuine 'no wrong door' approach with tie-in between services across the board which include where appropriate a whole-family approach.

Introduce a specific fund aimed at providing training on evidence-based approaches to dealing with inter-parental conflict for children's social care staff statutory and voluntary sector.

Children's Rights

It is our hope that each government minister will prioritise children's rights within their departments, and we back the call made by the Children, Young People and Education Committee for Welsh Government to publish a Children's Rights Impact Assessment as part of the budget, to ensure there is full compliance with the UNCRC.

The Rights of Children and Young Persons (Wales) Measure 2011 requires Welsh Government to ensure that all decisions which impact on children, including financial decisions, comply with the UNCRC. There has been a lack of CRIAs published in respect of previous draft budgets which has prevented a full analysis of whether the 'maximum level of available resources' obligation has been applied. A published CRIA would aid openness, transparency and accountability, and enable us to better understand how budgetary decisions are taking account of children and whether allocations are sufficient.

We would urge Welsh Government to ensure that all local and regional structures, including the Public Service Boards and Regional Partnership Boards are sufficiently prioritising children and young people's distinct issues.

Sustainable funding of vital services

The specialist VAWDASV sector offers life-saving support, but mapping of services has demonstrated the urgent need for better funding and resources to meet the needs of children and young people. These services often suffer from the pitfalls of year-to-year funding which creates endemic challenges for

sustainability of specialist services. It is also essential to identify the link between parental wellbeing and child wellbeing when targeting investment to specialist areas. Parents must be able to access comprehensive, non-judgemental emotional and practical support for issues that may otherwise be dismissed as struggles of the everyday, such as financial pressures, feelings of isolation and social pressures, in order to prevent decline to deeper crises and support parent-child bonds.

Our recommendations to Welsh Government are:

- Address the shortfall in specialist service provision for children and the need for sustainable funding
- Back our calls on the importance of early intervention and that an element of funding for specialist support is ringfenced for prevention and early intervention work
- Support the vital work of volunteers delivering important preventative services to families in the home.
- Recognise emotional and practical support for parents as an important preventative service and the associated need for investment in this area'

Ensure that budget allocations for children are transparent and that reporting is sufficiently accessible

We note the request from the Children, Young People and Education Committee in a letter to the Minister for Health and Social Services, that emphasised the need for transparency in how the budget is presented for scrutiny and agree with the need for clarity.

This should include a focus on spending for children facing ACEs, including, but not limited to poverty. This should be used to identify gaps in support and assess expenditure in relation to impact. Accessibility also requires information on the budget to be made available in a format in which children and young people can engage with (Article 13 UNCRC).

Care-experienced children and young people

We urge Welsh Government to use this budget as an opportunity to increase provision and support for care-experienced children and young people, both for young people going through the assessment and pathway planning process, and for young people after they have left care.

Our recommendations are:

- Guarantee that transitions between services for different ages happens seamlessly, that no child with a continuing support need is left behind, and that support continues for care-experienced young people to help them as they transition into independence.

- Provide training and support for statutory staff and those working within organisations to support care leavers with financial management.
- Understand the financial support requirements of care leavers and build provision of financing and budgeting support.

We welcome the opportunity to feed into this consultation and would be happy to provide more information if this would be of use.

Yours sincerely,





Welsh Government draft budget 2022-23

CIH Cymru consultation response

This is a response to the Senedd's Finance committee's consultation which seeks views to inform its scrutiny of the Welsh Government's draft budget 2022-23.

1. Key points at a glance
 - COVID-19 has exacerbated inequalities between different population groups and people living in different housing tenures which need addressing with resources to provide support, advice and expertise.
 - Housing Support Grant funding should be protected and an area for further investment in light of these challenges in addition to mitigating some pressures of the affordability crisis facing many households.
 - The 20,000 low-carbon social housing target represents an ambitious step forward which will require the pattern of 'record-level' funding to continue in both the forthcoming and subsequent budgets.
 - Decarbonisation of existing homes, in line with the Government's ambition to address climate change, will need huge investment to support activity across all forms of housing tenure.
 - The realities of the operating environment in the form of supply chain pressures are increasing the real-time costs of building new social and affordable homes – these should be considered as areas to provide further resource into the sector.
 - Infrastructure and skills to deliver on a green vision for the housing sector in Wales requires clear funding stream to underpin delivery in practice.
2. Introduction
 - 2.1 Housing, particularly social housing has featured heavily in the new Welsh Government's programme for government and the subsequent Co-operation Agreement between Welsh Labour and Plaid Cymru. These combined put forward an ambitious vision for ending homelessness, exploring a right-based approach to housing, building 20,000 low-carbon social homes and improving the quality, affordability and safety of existing homes at pace and scale.
 - 2.2 We know that achieving that shared vision will require continued investment, not only in how the delivery of new social and affordable homes is underpinned in practice, but also how housing-related support continues



to play its ever-vital role in sustaining tenancies, preventing homelessness and helping people thrive.

2.3 Wider consideration should also be given to how the Welsh Government budget decisions serve to create communities that are well connected to infrastructure that can support people to thrive where they live – such as green and blue infrastructure.

2.4 We strongly welcome this opportunity to provide our views to aid the committee's scrutiny, particularly given the vital role housing does and must continue to play in meeting some of the most pressing challenges globally. Added to this, the pandemic has had a huge impact on the work of our members and the communities they serve. Many of the housing related issues that existed long before the pandemic started, such as homelessness, inadequate housing conditions and affordability will have been impacted by the conditions imposed on people's lives.

2.5 In the sections below we have included broad heading covering some key areas of housing policy/practice and highlighted issues the committee may wish to consider in its own scrutiny activity.

3. COVID-19 recovery and housing

Widening housing-related inequalities

3.1 The COVID-19 pandemic has brought into sharp focus what the impact of having an affordable, safe place to call home can have on people's ability to remain safe and well. The pandemic has already highlighted the stark differences in people's experiences that find their roots in their housing circumstances.

3.2 For some the pandemic has provided a chance to spend more time at home, save money, find a better work/life balance whilst enjoying a safe home environment. For others who live in poor housing conditions, in overcrowded homes or suffer domestic violence/abuse – being confined to their homes will have been a miserable experience, often making their circumstances even worse.

3.3 We recently led on the authoring of the Health Impact Assessment on behalf of Public Health Wales – 'No place like home? Exploring the health and well-being impact of COVID-19 on housing and housing insecurity' which sets out starkly how housing security has featured as a prominent issue in the lives of many, and what factors has had a bearing on people's circumstances in this context. Some of the highlights include:

- The economic impacts of the pandemic have had a negative effect on those on a low-income, women and young people. Reduced income



will have caused further hardship for those on a low-income, which could be exacerbated through their precarious living situation.

- Private renters are at increased risk of insecure housing due to housing being less affordable during an economic crisis. However, mitigation measures, such as the suspension on evictions and Tenancy Saver [REDACTED] by Government and other agencies will have helped many.
- Some women, children and young people have been at greater risk of harm from violence and abuse or exposure to this, through spending more time at home during the pandemic, and Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) has been exacerbated. There is also a lack of refuges where those at risk of VAWDASV can access support (particularly face-to-face support) and safe housing.
- The pandemic has highlighted the positive impact of housing and welfare COVID-19 support measures. For example, homelessness prevention schemes have provided temporary accommodation, however some risk becoming homeless again when support measures end.
- There has been an increase in neighbourhoods coming together to support one another. However, some individuals and population groups have been affected negatively, such as feeling isolated or being unable to access support.

3.4 The issues and circumstances at play here will not be resolved instantly, and despite having their roots to some extent in the conditions of the pandemic, their impact will be long-lasting.

A looming affordability crisis

3.5 The ability to meet housing costs during the pandemic has been under significant scrutiny with a sharp increase in the numbers of people seeking help to meet these costs.

3.6 At March 2020 there were 154,948 UC claimants in Wales by May 2020 this had risen to 253,221 a 63% increase since March, far above the usual rate of organic growth in claimants¹. Coupled with this since March 2020, 26,000 fewer people are in paid employment and 280,000 people have fallen behind on household bills.² Between February 2020 and February 2021 the

¹ <https://stat-xplore.dwp.gov.uk/webapi/isf/dataCatalogueExplorer.xhtml> (Accessed 04/08/21).

² <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Wales/Wales%20Policy%20and%20Campaigns/Benefits%20issues%20in%20Wales%20during%20CV-19.pdf> (Accessed 04/08/21).



number of households in Wales receiving the UC housing costs element increased 59% from 80,772 to 128,701 comprising of a 45% increase in social tenants and a 77% increase in private tenants. The number of private tenants and social tenants on UC in Wales is now roughly in balance (64,000 and 65,000 respectively).

- 3.7 We [REDACTED] the ending of the £20 uplift to Universal Credit, the temporary extension of the notice period for evictions ending in the new year and the wrapping-up of the furlough scheme there is a real risk that financial hardship will increase, reliance on the welfare system will become greater and for many the struggle to meet housing and other general living costs will become more pronounced.
- 3.8 The availability, access to and readiness of housing-related advice and support services is of concern given the volume of households who may need to seek support in the run-up to and over the winter months.

Local authority resources

- 3.9 The role of local authority housing departments is critical as part of the housing and support ecosystem that exists in Wales to prevent and alleviate homelessness in addition to other key functions, such as tackling empty homes, producing local housing strategies and planning the use of land. However, we know that local authority housing professionals and the departments they work within face significant pressures in carrying out their obligations in the face of substantial demand for services and support.
- 3.10 For example, [our own work in surveying local government housing professionals](#) found that managing the impact of the COVID-19 pandemic has placed considerable pressure on staff working in housing and homelessness services. Our research found:
- Almost a third (30%) felt that effort to house people experiencing homelessness to provide protection and limit the spread of COVID-19 was one of the key positive actions to come about as a result of the pandemic
 - A combined lack of housing stock, staff capacity and the need to manage the impact of COVID-19 on top of already busy day jobs combined represent the most significant pressures facing local government housing staff
 - More affordable housing and more staff were highlighted as solutions to those pressures in addition to an easing of the



pressure from the Welsh Government in terms of deadlines to put forward projects and apply for funding,

- Over 80% of respondents felt that if housing targets are to be met, land supply/availability and resources will be required to support their achievement
- In considering the strength of partnerships between the housing department and health and social care services, 86% of respondents had either some or no confidence in these arrangements

The role of housing support

3.11 In light of the conditions of the pandemic, the ongoing pressure on housing supply and the need to continue the progress made during the last 18 months in addressing homelessness, the role of housing related support services has never been so important.

3.12 The Supporting People programme, and subsequently the Housing Support Grant, provides support for a broad range of needs. Accommodation for older persons, for individuals with learning disabilities, for people fleeing domestic violence and for ex-offenders is provided through the HSG, as well as support for individuals experiencing homelessness in terms of hostel accommodation or floating support. Although a homogenous funding stream, the types of provision it finances, and the different client groups it supports are incredibly diverse.

3.13 Its ability therefore to negate the need for individuals to receive other more serious types of interventions within health or social care settings is significant. Its role as a key source of prevention and impact on demand reduction on other high-cost services cannot be underplayed and it is vital that we see further protection and investment in Housing Support Grant in the forthcoming budget round.

3.14 Research commissioned by Cymorth Cymru, carried out by a team from Cardiff Metropolitan University concluded that:

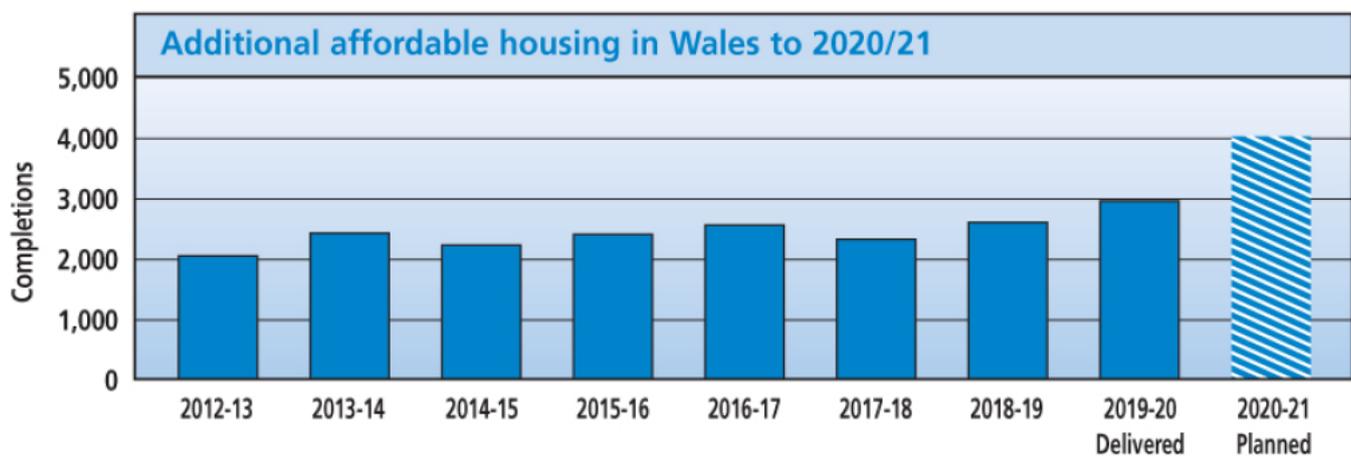
“This research shows that the costed benefits of HSG services, in terms of savings to other (high cost services) is clear. HSG services in Wales generate an estimated gross saving of £300.4m. When taking into consideration the annual spend of the HSG in Wales, this equates to an estimated net saving of £176.7m.”



4. Increasing the supply of social and affordable housing at pace and scale

4.1 Performance against the delivery of affordable homes (in relation to the pre-[REDACTED] continued to gain pace (see Figure 1.) – 2019/20 saw 2,942 affordable homes delivered – bringing the total to 19,000 over four years, with another year of delivery still to be reported. If the projection for 2020/21 is realised that could see an unprecedented 4,000 homes delivered, easily surpassing the 20,000 affordable housing target although caution is appropriate in relying on these forward projections. In 2021/22 investment in social housing by the Welsh Government will reach £250 million, almost four times the amount in 2015/16.

Figure 1. Additional affordable housing in Wales 2020/21



Source: Welsh Government affordable housing supply statistics.

4.2 Whilst record level of investment has been vital to the positive progress in remaining on course to meet the previous affordable housing target, the emphasis of the new Welsh Government target presents a number of challenges.

Funding

4.3 Social housing providers require long-term certainty on funding to help organisations effectively manage resources, plan developments, raise additional capital and mitigate ongoing risks around economic uncertainty.



- 4.4 Within this same context, social housing providers are considering how to invest the levels needed to decarbonise existing homes and begin planning to adopt a new building safety regime (something that we strongly support). Investment in the sector would provide a stronger basis upon which to make progress in areas such as these. But the short-term nature of government funding at present can act [REDACTED] sector – greater long-term certainty on grant funding is needed.
- 4.5 The Welsh Government’s 20,000 low carbon social housing target represents an ambitious step forward in the delivery of environmentally friendly social homes. If the anticipated housing output for 2020/21 is achieved, that will see 4000 affordable homes delivered, a sharp uptick on the average annual output. Whilst being a mark of progress in itself, that puts into sharp focus the scale of the challenge with the new target demanding that achievement annually, and more narrowly including social housing, whereas the previous target has been supported by a large proportion of Help to Buy and homes built at intermediate rent.
- 4.6 Whilst the delivery of new homes is rightly a key focus, we know that of equal importance is the activity and drive to decarbonise existing homes. Decarbonisation continues to anchor the ambition of the sector in building new social housing at an accelerated pace. A stark analysis for the Future Generations Commissioner indicated that £15 billion (of which social housing’s share is £5.5 billion) would need to be spent to retrofit the Welsh housing stock over this decade. The Welsh Government’s Optimised Retrofit Programme budget has been the focus of significant investment receiving a £150m boost – we hope that further resources will be considered to ensuring this funding stream continues to underpin how we scale-up methods of improving homes at the scale needed.
- 4.7 We believe therefore that the current trend of investing in, and achieving record-levels of funding to meet the 20,000 target and the raft of activity associated with improving existing homes will be needed in both this and subsequent government budgets approved during the sixth Senedd.

Funding innovation

- 4.8 Positive progress has been made in recent years to better understand how carbon neutral and low-carbon forms of housing can be delivered at pace and scale, supported by consecutive rounds of the Welsh Government’s Innovative Housing Programme.



4.9 Modern Methods of Construction undoubtedly have a huge role to play and when implemented at scale could be transformative for the way we deliver energy efficient homes and have considerable benefits to the economic prospects of local areas. But with growth in the industries falling under the MMC banner – such as Off-Site Manufacturing still [REDACTED] there is a lack of market competition (decreasing incentives to drive down costs and hindering greater economies of scale). In tandem there is further activity needed to reassure lenders investing in homes built through MMC, and the public as consumers over the efficiency, and overall quality of homes produced in this way if we are to see meaningful steps taken to change how we deliver and live in our homes.

Realities of the operating environment

4.10 A perfect storm of factors including the COVID-19 pandemic and its impact on a range of industries, the re-opening of economies across the globe and the ongoing impact of Brexit are combining to create challenges in housing supply chains.

4.11 Our recent research ‘Shocks in the supply chain’ sets out the stark challenges faced by providers of social and affordable housing in accessing raw materials, products and expertise needed in delivering new homes, and in improving the quality, safety and efficiency of existing housing.

4.12 Our report highlighted that:

- Almost 90% are having significant or moderate issues with supply chains for building new homes, day to day maintenance and retrofitting
- Access to timber has seen the most significant impact but items needed for all aspects of building homes, and carrying out maintenance/repairs have been affected to one extent or another
- Increased prices of 30%-40% were identified across a range of materials including timber, steel, concrete and fencing.
- Over 75% of respondents told us that they thought issues in the supply chains had become more significant in the 6-month period leading up to August 2021
- In addition to cost, 96% of respondents reported that one of the main impacts has been on time-delays



- Respondents cited the impact of COVID-19, Brexit and surges in demand at both a national and global level as some of the driving forces behind supply chain issues.

- 4.13 From a housing finance perspective, our recommendations included flexibility in grant funding to potentially account for the shortfall in funding realised as a result of rapid increases in cost during the construction period and an ongoing review of Acceptable Cost Guidance to account for cost inflation.
- 4.14 In practice, these conditions are compromising the viability of some housing developments or delaying major works. If the conditions underpinning the situation persist there is a real concern that without clear government intervention to address the financial pressures arising from supply chain issues that delivery of social and affordable housing will be compromised.

Infrastructure and skills

- 4.15 Whilst we agreed with the renewed focus on social housing there are some significant questions that anchor the sector's ambition and ability to meet this in practice.
- 4.16 The green skills gap also poses a huge challenge to the sector. At a time where the ambition is to increasingly build sustainably, using new technology/materials there is a shortage of skills needed to deliver, and service this activity – for both new and existing homes. Despite strong agreement with the vision set out in the programme for government, we do have concerns that a lack of information/data about the workforce (in its broadest sense, not only limited to construction), represents a significant challenge to the realisation of our housing ambition in Wales – hindering how investment can be targeted and used most effectively.

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support, and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation.



Chartered
Institute of
Housing
Cymru

This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org.

Contact: [REDACTED] (policy and public affairs manager)

November, 2021

Farmers' Union of Wales' response to the Senedd Finance Committee's call for information on the Welsh Government Draft Budget proposals for 2022 to 2023

November 2021

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About the Farmers' Union of Wales

1. The Farmers' Union of Wales (FUW) was established in 1955 to exclusively represent the interests of farmers in Wales, and since 1978 has been formally recognised by the UK Government, and subsequently by the Welsh Government, as independently representing those interests.
2. The FUW's Vision is thriving, sustainable, family farms in Wales, while the Mission of the Union is To advance and protect Wales' family farms, both nationally and individually, in order to fulfil the Union's vision.
3. In addition to its Head Office, which has thirty full-time members of staff, the FUW Group has around 80 members of staff based in twelve regional offices around Wales providing a broad range of services for members.
4. The FUW is a democratic organisation, with policies being formulated following consultation with its twelve County Executive Committees and eleven Standing Committees.

Summary

5. Following the publication of the draft Welsh budget on 20th December 2021, the FUW will be engaging with the Senedd Economy, Trade and Rural Affairs Committee to scrutinise how the allocated funding for agriculture and rural affairs should be prioritised for the next financial year.
6. Nevertheless, the FUW trusts that providing the below comments to the Finance Committee will provide information as to why the overall Common Agricultural Policy (CAP) replacement budget for agriculture (BPS) and rural development (RDP) should be maintained at at least current levels.
7. This is particularly important given the recent UK Government budget and spending review which revealed that Welsh agriculture will receive around £37 million less per year for the next three financial years than was anticipated in light of commitments made in the UK Conservative Government's manifesto.
8. Furthermore, while the FUW welcomed the opportunity for farmers to participate in a Focus Group and provide views on how the Welsh draft budget should be prioritised for the food supply sector, the feedback received suggests that participants were asked questions which were in fact far better suited for policy makers to answer.
9. Notwithstanding the impacts of the covid-19 pandemic (alongside Brexit) on UK and global food supply chains and labour resources, it should be noted that much of the agricultural and food sector worked throughout the pandemic with very little financial support compared with grants provided to other businesses.

10. In light of the above, the FUW has provided the comments below in response to the relevant questions set out in the consultation letter and trusts that such information will be considered in full.

Impact of UK spending review

11. The latest UK Government spending review on 27th October 2021 revealed that the Welsh Government will receive an average of £18 billion per year for the next three financial years, the largest annual budget since devolution. However, the Welsh Government's budget in 2024-25 will be nearly £3 billion lower than if it had increased in line with the economy since 2010-11.
12. In this context, it is essential that the multiplier effect of funds - in terms of employment and local economies - allocated to agriculture are recognised and that agricultural budgets are increased in line with other budgets. Agriculture employs circa 55,000 people and is part of a food and farming sector that employs circa 220,000 people. In rural areas, up to 28% of people are employed in agriculture.¹
13. The UK budget and spending review also revealed that an average of £300 million a year would be allocated to Wales for agriculture and rural development (i.e. replacement BPS and RDP funding) over the next three financial years.
14. This is £37 million less than the budget allocated in 2019 - a year in which the Conservative manifesto pledged to *"guarantee the current annual [Common Agricultural Policy (CAP)] budget to farmers in every year of the next Parliament."*
15. This means that Welsh agriculture and rural development will have received £248 million less by 2025 than it would have had the 2019 budget been fixed.
16. In September, the FUW welcomed Minister Lesley Griffiths' announcement that Welsh BPS payments would be maintained at the same rate until 2023 if sufficient funds were provided by the UK Treasury. The FUW believes sufficient funds *have* been provided as annual BPS payments amount to around £243 million - leaving some £57 million (out of the £300 million) for rural development plus unspent EU funds.
17. The FUW also believes that the Welsh Government should commit to the same payment rate for 2024 given that the three financial years reviewed in the latest UK budget include 2022-23, 2023-24 and 2024-25.
18. The impact of such cuts in funding by the UK Government on the spending priorities of the Welsh Government is a concern but maintaining direct BPS payments at the current rate must be a top priority for the agricultural budget, given the additional

¹Share of Welsh workers in the agricultural sector, Census of Employment 2011

economic, employment, social and environmental benefits that come from such support.

19. Given that, on average, 80% of farm business income comes from direct (BPS) payments, the continued provision of such direct economic support at at least current rates will likely grow in importance if adverse impacts from coronavirus, Brexit trade barriers and liberal trade deals with Australia, New Zealand are further realised.²
20. It is also essential that the BPS and RDP budget in its entirety is increased in line with inflation wherever possible given the increased allocation of total funding for Wales from the UK Treasury.
21. In this context, it is notable that EU funding was ringfenced for agriculture and rural development, and that in order to secure EU rural development funding the Welsh Government had to commit to a degree of co-funding. It is a concern that in future, there will be no such requirements and the Welsh Government will be free to allocate what funding it sees fit to agriculture and rural development. Therefore, the FUW has long maintained that such funding should continue to be ring fenced for agriculture and rural development in order to provide clarity and certainty for Wales' farmers.
22. In a similar vein, although not directly related to agriculture and rural development funding, the FUW maintains that budget allocations towards tackling climate change should be based on the evidence available on greenhouse gas emissions in Wales in such a way that supports all sectors and industries rather than using agriculture as a scapegoat for carbon sequestration.

Paying for regulatory requirements

23. Successive Welsh Governments have introduced regulations that add costs for businesses and regulatory bodies (including Local Authorities) without considering the affordability of such costs (for example the Wellbeing Act which adds significant costs for all public bodies at a time when their budgets have been cut and for which no additional funding was provided by Welsh Government).
24. It is clear from recent changes to the Water Resources Regulations 2021 and the current Welsh Government consultation on changes to livestock identification, registration and movements (to name a few) that increasing red tape is high on their agenda.
25. It is believed that the Water Resources Regulations in their current form are likely to cost farmers in the region of £1,000 per year to complete all of the required records and calculations in addition to the estimated infrastructure costs of £360 million.³

²Components of Welsh farm business income, 2018-19

³Regulatory Impact Assessment for Water Resources (Wales) Regulations 2021

26. Furthermore, Natural Resources Wales (NRW) have previously confirmed that they do not have the sufficient resources to be able to enforce a pan-Wales NVZ and that the originally recommended 8% allocation would have allowed the regulations to be policed more effectively in the areas where they applied.
27. If the regulations remain in place after the current review, the additional workloads for both NRW and Local Authorities (in terms of planning) will be vast and severely hamper compliance.
28. Additional red tape not only increases costs for food producers but also for the regulatory and enforcement bodies responsible for policing such requirements. The costs of such enforcement should be met by the Welsh Government whether they are Government organisations or not and sufficient funding needs to be made available to public bodies and ring fenced for dealing with the implications of Welsh Government decisions.
29. The Welsh Government must also recognise the costs associated with additional red tape for farmers and regulatory bodies and ensure that such changes are reflected in the funds received by the active farmers of Wales.
30. The FUW has also questioned on numerous occasions how the Welsh Government proposes to pay for the huge admin and enforcement costs associated with the proposed Sustainable Farming Scheme.
31. Currently, there are only around 3,000 farm holdings in Wales with individual Glastir contracts. The added cost and administrative burden on managing approximately 18,000 unique contracts mustn't result in any decline in funds received by active farmers in Wales.
32. In a similar vein, the Welsh Government has over a number of years allocated vast sums to modelling environmental impacts of policy changes. By contrast, the money allocated for modelling economic impacts for farmers, communities, processors and those employed in the food supply chain is a fraction of this and this work has only just started. This must be addressed and should not be paid for from the CAP (i.e. BPS and RDP) budget.

Purpose of agricultural and rural development funding

33. The FUW has always maintained that steps should be taken to ensure Pillar 2 monies result in economic benefits for agriculture and the wider rural economy.
34. Despite the FUW opposing the 15% Pillar Transfer as such a reduction in direct payments ultimately led to an overall decrease in farm incomes for the vast majority, the RDP has offered environmental schemes such as Glastir and grants including the Sustainable Production Grant and Farm Business Grant since its creation and has provided significant aid and income for farmers across Wales.

35. However, the RDP in recent years has provided increasing amounts of funds for community, woodland and tourism projects which provide negligible benefits for the agricultural sector and rural communities in some cases.
36. Figures recently released by the Welsh Government have confirmed that a growing proportion of Welsh Government Glastir Woodland Creation (GWC) scheme money is used to pay for tree planting on Welsh farmland bought by investors with addresses outside Wales.
37. Between GWC application windows 8 (November 2019) and 10 (November 2020), the number of applicants with addresses outside Wales grew from 3% to 8%.
38. It was also revealed that between windows 8 (November 2019) and 9 (March 2020), the proportion of land accepted for the GWC grant following applications from outside Wales rose from 10% to 16%.
39. The figures also reveal that the average area of land planted with trees by GWC applicants from outside Wales was 96 hectares during the last planting season, compared with an average area of 17 hectares planted by applicants with addresses within Wales.
40. The FUW maintains that while it is likely that direct and rural development payments will be combined as part of the transition into the future Sustainable Farming Scheme, such funding which replaces the CAP budget must be ring fenced for active farmers in Wales and provide economic benefits for agriculture and the wider rural economy.

Scrutiny of expenditure

41. The scrutiny of some areas of spending leave much to be desired, so whatever budget is decided there needs to be a robust system of scrutiny, particularly as the (albeit frustrating at times) EU audit systems are phased out.
42. For example, Audit Wales has already highlighted major concerns about RDP expenditure being allocated without sufficient scrutiny and in 2020 found that £68m of rural development funds had been allocated through inviting known individuals or organisations to apply without competition.
43. Similarly, the value and cost benefit of many elements of RDP spending has only been considered superficially, including many aspects of the Farming Connect project. In 2020 the body responsible for delivering Farming Connect, Menter a Busnes, received more CAP funding than any other company or individual in the whole of the UK - £11.2 million.
44. This is a symptom of the role of and information provided to the EU funds Programme Monitoring Committee being severely weakened since 2014.

45. In 2020, the Welsh Government took the unprecedented step of denying coronavirus support to businesses it regarded as less moral (in the view of Welsh Government) than other businesses - setting a very dangerous precedent and highlighting how, in the absence of independent neutral scrutiny, spending might be diverted unscrupulously and for political reasons under a future domestic RDP or similar funding streams.

Payment capping

46. The FUW has supported the capping of direct agricultural payments, after wages and other factors are taken into account, since 2007, on the grounds that this maximises the amount of money going to typical family farms and those who make the greatest contribution to rural communities and economies, while also taking account of economies of scale and reducing the degree to which high payments bring the entire system of agricultural payments into disrepute.
47. As such, the FUW was instrumental in persuading the Welsh Government to introduce a cap at the lowest possible level allowed by EU regulations (€300,000) when the new Basic Payment regulations came into force in 2015.
48. On a similar vein, the FUW was also successful in persuading the Welsh Government to introduce Redistributive Payments in 2015, a mechanism which is in effect a crude form of taper which reduces payment rates for farms with larger hectarages - an approach which modelling demonstrated would reduce disruption and adverse impacts for lowland areas.
49. In 2018, the Welsh Government's Brexit and our Land consultation document implied that no payment cap would apply for the proposed Public Goods scheme, reflecting a number of prior discussions with Government officials.
50. The FUW made clear its view that any such change would be a regressive move which would move money away from those family farms which make the greatest contribution to the rural economies and communities, and that payments should in fact be capped at a lower level than the current €300,000 threshold after other factors have been taken into account.
51. The FUW believes that any future scheme payments should be capped below the current level while taking full account of labour costs and similar factors such as the number of business partners and families/family members supported by a business.
52. Moreover, given that the National Trust, RSPB, wildlife trusts and other charities are already amongst the recipients of the highest sums under the CAP (2020 payments: National Trust £11.1 million, RSPB £10.1 million), there is a danger that the failure to introduce such a universal cap or taper would see more monies moving to charities

and away from the family farms which play a central role in maintaining rural economies.

53. While the FUW's position on the capping of payments refers specifically to the agricultural budget, it should be noted that introducing such a cap and/or a tapered payment system will ensure that the money is distributed in the most effective way for the benefit of genuine farmers and Wales' economy, community, culture and jobs.

RSPB Cymru Response Pre-Budget Scrutiny 2022-2023

The Royal Society for the Protection of Birds is the UK's largest nature conservation charity, inspiring everyone to give nature a home. Together with our partners, we protect threatened birds and wildlife so our towns, coast and countryside will teem with life once again. We play a leading role in BirdLife International, a worldwide partnership of nature conservation organisations.

Summary

The Welsh Government has committed to “embed our response to the climate and nature emergency in everything we do”, recognising the threat that continuing loss of nature presents not only to species but to our economy and well-being.¹ Delivering on this objective must not be limited to considering how to **avoid or mitigate harm** to biodiversity in departmental priorities, but also how to **contribute to (and invest in) nature’s restoration and recovery**.

This will require a renewed approach to economic policy, investment decisions and assessment of economic performance. Achieving a **Green Recovery from Covid-19** in the long term will require significant shifts in public investment in nature and well-regulated frameworks to support private investment, to reverse biodiversity decline and secure benefits including nature-based solutions, at the pace and scale needed to address the **nature and climate emergency**.

We welcome the opportunity to respond to the Committee’s consultation on Welsh Government Draft Budget proposals for 2022-23. To reflect the nature emergency in its budgeting, the Welsh Government should:

1. Increase its investment in nature to reflect the pace and scale of action required to halt biodiversity decline and restore ecosystem services, and;
2. Integrate its response to the nature emergency across ministerial portfolios and government priorities to reflect the multiple ways in which nature supports well-being

Our response will set out **(1)** the public and private investment mechanisms for delivering these aims ([page 4](#)) and **(2)** the key areas for investment to restore Wales’ natural environment over the coming years ([page 6](#)), including:

- Nature Based Solutions
- National Nature Service for Wales
- Capacity to delivery nature’s recovery
- Protected Sites Network as part of sustainable land and marine management approaches
- Strategic species recovery

¹ Welsh Government 2021, [Programme for Government](#)

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Natural Resources Wales, with a mandate from Welsh Government, convened a Green Recovery Task & Finish Group in 2020. The Green Recovery Capacity Building Scheme² that emerged from the group was very welcome, although it is worth noting that the money committed was comparatively small – less than £1 million in Wales compared to £80 million in England for a similar scheme³.

Last autumn, the Green Recovery Task & Finish Group received submissions on proposals that would help deliver a Green Recovery for Wales. However, the ambitions expressed in setting up the Group by both the Government and NRW have not been met by any financial commitment to deliver these proposals. One of these proposals was for a National Nature Service for Wales (see further information on page 8), which has the potential to bring benefits across portfolios. Work on this has been progressed by over 200 stakeholders, coordinated by the Food, Farming and Countryside Commission, and now needs commitment of Government resource to take forward.

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

Funding for nature has faced several issues, resulting in resources allocated often not having the most benefit and impact, despite the best efforts of the environmental NGO sector.

Firstly, nature's recovery cannot be achieved in a single year, but will require continuous commitment over decades. A system of annual funding is therefore ill-suited in enabling RSPB Cymru, and the wider sector, to deliver nature's recovery at the scale needed. Multi-year commitments are essential to ensure that projects committed to in the first year can be seen through and reap a significant return. Following the Comprehensive Spending Review, we hope and anticipate that this will be forthcoming in Welsh Government's budget.

Secondly, there is a seasonal element to nature conservation and restoration. The annual cycle of funding applications and announcements is ill-suited to this, as it can mean that funds are released too late in the year, and with too little time available to complete work. Improvements to funding timetables and processes are therefore also needed to enable maximum benefit to be secured from allocated budget within the timeframe.

In addition, the emphasis on capital with little or no revenue funding available has made it extremely challenging to effectively channel funds into nature's recovery and ongoing essential conservation work.

² The National Lottery Heritage Fund, 2020. [Green Recovery Capacity Building Scheme](#).

³ UK Government, 2020. Press Release: [£80m fund for green jobs and new national parks to kick start green recovery](#).

We would also like to highlight that, post Brexit, there remains uncertainty around whether funds will be made available to fill the gap left by EU LIFE. The LIFE Nature fund supported innovative nature conservation action in Wales and across the UK (including, since its inception in 1992, 18 projects in Wales with a total value over 65 million Euro, including over 36 million Euro of EU funds).

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

We note that the Committee is considering to what extent alleviating climate change should be prioritised in supporting economic recovery. We urge the Committee to consider not only the challenge of tackling climate change, but also that of biodiversity loss. More than half the world's total GDP – \$44 trillion of economic value – is exposed to risks from nature loss.⁴ In Wales, the 2020 State of Natural Resources Report showed an overall trend of “serious decline, reflecting the global situation and internationally recognised nature emergency”.⁵

As the landmark Dasgupta review pointed out, our economy is wholly dependent on nature. This has been recognised by the Senedd declaration of a nature emergency, and the Welsh Government’s commitment to “embed our response to the climate and nature emergency in everything we do”. The evidence is stark that tackling the nature and climate emergency in the present decade is critical to securing a liveable planet for future generations, and as such, must be a central strand of Wales’ economic recovery.

The 2021 Joint Report by the Intergovernmental Panel on Climate Change and the Intergovernmental Panel on Biodiversity and Ecosystem Services called for decision makers to consider climate and nature as part of the same complex problem, stating that only by doing so can “solutions be developed that avoid maladaptation and maximise the beneficial outcomes”. The joint report gives an explicit warning on actions aimed at reducing emissions contributing to biodiversity collapse, including through, the planting of forests to produce bioenergy, as well as the use of renewable energy creating large -scale land conversion or otherwise interfering with migratory birds and bats. The report outlines clearly that a “multi-criteria” approach – accounting for both impact on carbon emissions as well as biodiversity – is essential to future planning and management.⁶

We would like to note that the phrase “**build back better**” – also being considered by the Committee - is drawn from the Sendai Agreement on disaster relief that was adopted in the UN World Conference on Disaster Risk Reduction in Sendai, Japan in 2015.⁷ In today’s context of the Covid-19 Pandemic, the OECD has encouraged governments to use “build back better” to respond to global environmental threats like climate change and biodiversity loss, and has warned of the significant

⁴ [World Economic Forum Global Risk Report](#)

⁵ [State of Natural Resources Report](#)

⁶ [IPBES and IPCC Joint Report 2021, Biodiversity and Climate Change](#)

⁷ [Sendai Agreement](#)

social and economic risk of not addressing these issues as part of our recovery.⁸ “Build back better” therefore signifies an acknowledgement of the need to tackle concurring crisis together, rather than subsequently.

In order to reflect the ambition of “building back better” from the Covid-19 pandemic, and to meet its delivering its ambitions to integrate the nature and climate emergency in everything that it does, it is essential that Welsh Government adequately budgets for nature’s recovery by increasing its net investment in nature to match the scale and pace of action required to halt biodiversity decline and restore ecosystem services. The following will outline **(1)** the public and private investment mechanisms for doing so below and **(2)** key opportunities for investment to restore Wales’ natural environment over the coming years.

1. Budgeting for Nature’s Recovery

We have welcomed the Welsh Government’s commitment to setting legally binding nature recovery targets. We are calling for a framework for nature recovery akin to the existing legal framework around our Net Zero targets, to elicit the necessary action across all government departments and across sectors, including through the budget.⁹

In recent years we have seen a welcome uplift in the budget allocation for designated sites, which Welsh Government policy recognises as fundamental to restoring the resilience of Wales’ ecosystems. We hope to see a further move in the coming budget, with multi-year funding through the Nature Networks programme for much needed action to improve the condition of our designated sites and the wider ecological networks they are a part of. It is vital that the allocation for this programme is at the top end of the £45-60m that has been suggested by Welsh Government and is a mix of both revenue as well as capital funds. This notwithstanding, it is clear that the anticipated funding is much lower than what is needed and there is a growing evidence base on the funding gap for nature.

- In 2015, an EU LIFE funded report published by NRW estimated that the actions needed to attain favourable conservation status of Wales’ Natura 2000 sites would cost £144 million to 2020 (a significant underestimate on real costs, as these costed actions do not include human resources to deliver on the ground).¹⁰
- A recent report commissioned by the RSPB, the National Trust and the Wildlife Trust estimates that £273 million per year is needed for environmental land management in

⁸ OECD, [Building Back Better: A sustainable, resilient recovery after Covid-19](#)

⁹ This would involve headline targets in primary legislation to halt and begin to reverse biodiversity loss by 2030, and to achieve substantive recovery by 2050, backed by a detailed framework in secondary legislation of long term and interim targets. For more detail see our report [Putting Wales on a Path to Nature Recovery](#)

¹⁰ [EU LIFE funded report published by NRW](#). This figure does not include staff time or ongoing, currently funded (at the time) management work.

Wales in order to meet multiple priorities for biodiversity, water, soil, landscape, heritage and a variety of ecosystem services.¹¹ This comprises £227 million for environmental land management actions and another £46m for additional elements (especially securing continued management of high nature value land vulnerable to subsidy removal).¹²

- A new analysis by the Green Finance Institute has estimated that a minimum financing requirement of £500m above current public commitments is needed to meet all of Wales' nature related outcomes.¹³

In addition to increasing public funding, financing nature's recovery will need to involve innovative approaches enabling private sector investment.

Innovative Funding: role of Government

We welcome Welsh Government's role in bringing together the sector through the Sustainable Funding Task and Finish Group, and the intention to procure consultancy support across 22/23 to advise on possible innovative funding models. Innovative funding mechanisms can provide new ways to leverage both public and private investment into nature, either:

- By creating new financial products in order to incentivise investment into Wales' natural resources, or;
- By leveraging funds and hypothecating them into these natural resources.

Welsh Government also need to play a critical enabling role to ensure this investment through conservation finance is regulated, well managed and supports nature restoration. In order to accelerate private investment into nature, we would welcome to see over the coming years:

- The development of a clear policy framework for private investment into nature, supported by comprehensive standards and market rules.
- Support for the development of business models for investing in nature, and;
- Defined pathways to secure private funding for nature¹⁴.

Investment Readiness Fund

Under the current policy frameworks, there remains an accepted risk of investing in nature' recovery. In order to enable private finance, more predictable revenue streams need to be generated. Payments for ecosystem services delivered by nature-based solutions, as outlined above, could have this potential.

¹¹ Matt Rayment, 2019; [Paying for public goods from land management](#)

¹² £227m includes £120m action for priority habitats (i.e. woodlands, wetlands, heathlands, coastal habitats, grasslands) which includes capital investment in habitat creation and restoration (£70m) and annual maintenance of habitats (£50m). The other £107m includes actions for boundary features (hedges, walls), improved grasslands, arable land, historic environment, organic farming.

¹³ Green Finance Institute, [The Finance Gap for Nature](#)

¹⁴ FinanceEarth 2021, [Financing UK Nature Recovery](#)

There remains a certain amount of uncertainty about how government funding (for example, though land management schemes) can be complemented by private finance to deliver nature-based solutions. The biggest barrier is the need for an initial investment.

We are therefore asking for Welsh Government to also support the development of an Investment Readiness Fund. An Investment Readiness Fund will help shift away from the level or risk and uncertainty upon the environmental voluntary sector and help develop a more stable investment opportunities in nature-based solutions for private finance.

2. Key Areas for Investment

The following outlines our proposals for strategic investment areas to help address the nature crisis:

Capacity to deliver nature's recovery

Natural Resources Wales is charged with the statutory purpose of maintaining and enhancing the resilience of Wales' ecosystems, but we are concerned it is not well enough resourced to deliver key functions. For example, it is deeply concerning that around 50% of terrestrial protected site features are in unknown condition as cuts have left NRW unable to monitor these most important places for nature¹⁵. Fewer than 6% of SSSIs have a management agreement in place involving NRW.

NRW has received a budget cut in real terms of 35% between 2013 and 2020¹⁶, with the majority of resources lost from nature conservation functions. We note that Natural England is now receiving a 47% increase in UK Government funding after the Chair of Natural England stated to the Westminster Environmental Audit Committee that budget cuts had left the agency's funding "below the level required to deliver all of our statutory duties to a good standard".¹⁷ While the increase to Natural England's budget still leaves it with less funding than it received in 2008/09, it is at least some recognition that years of underinvestment must be reversed for agencies to be able to deliver their statutory duties. To our knowledge, NRW has not made clear the extent to which its statutory functions are under-funded.

As discussed earlier in this submission, the funding environment for NGOs like RSPB Cymru is extremely challenging, and resources for nature in other public sector bodies such as Local Authorities are slim. We would encourage the Committee to explore this gap in the necessary public funding of capacity to deliver nature's recovery.

Nature Based Solutions

A new RSPB report has shown the economic potential of restoring nature-based solutions at scale across the UK: every £1 invested in peatland, salt marsh and woodland secures £4.26, £2.48 and £2.79 of benefit in return respectively.¹⁸ This analysis also demonstrates the significant income-

¹⁵ NRW, [Protected Sites Baseline Assessment 2020](#)

¹⁶ Emma Rose, Unchecked UK 2021, [Safeguarding Standards – Why Wales should lead the way](#)

¹⁷ Natural England 2020, [Written Evidence](#) to the Environmental Audit Select Committee

¹⁸ RSPB report commissioned 2020. Cambridge Econometrics, [Economic costs and benefits of nature-based solutions to mitigate climate change](#)

generating opportunities from such investment. Moreover, the value of carbon sequestration in Wales has been estimated at £6.6 million, per year, with the value expected to increase significantly as carbon prices rise.¹⁹

Investment in carbon-rich habitats therefore provides a clear solution to addressing the climate crisis, while investment in green jobs to restore habitat provides new employment opportunities to respond to the immediate economic impact of the pandemic while providing a vehicle for long-term transformational change.²⁰

Protected areas on land and at sea

Welsh Government policy is clear that our protected sites have a central role in reversing biodiversity decline and building more resilient ecosystems, and research has highlighted the benefits of investing in their condition.²¹ As noted above, NRW has identified the cost of delivering the necessary actions to secure favourable conservation status of Wales' (terrestrial and marine) Natura 2000 sites (now known as the national site network) at £144 million.

Recent evidence published by NRW has found that both terrestrial and marine protected areas networks are in a parlous state, and also shone a spotlight on the lack of capacity in NRW for essential, systematic monitoring of these areas²². The Welsh Government's recent welcome commitment to support the international target to ensure that 30% of land and sea is protected and well managed for nature will require significant investment in bringing existing sites into favourable condition, in addition to identifying and securing protection for new areas.

Species Recovery

Our calculations estimate an annual need of £44m per year for widespread terrestrial species recovery in Wales.²³

One key area to support species recovery in the marine environment is via a **Seabird Conservation Strategy**. A commitment to a long-term investment in biosecurity to ensure that seabirds are protected at their breeding colonies from invasive predators is a crucial element. The current

¹⁹ [Estimating the Carbon Sink Potential of the Welsh Marine Environment](#)

²⁰ See WEL paper, [Jobs for a Green and Just Recovery](#)

²¹ For example: A report produced for DEFRA estimated the annual value of SSSIs in Wales at £128m, based on a public willingness to invest. Compared to the annual public spend on SSSIs of £10m in Wales at the time, this equated to every £1 in public spending returning a benefit of almost £13. The benefits of increasing funding to bring all SSSIs in Wales into favourable condition were estimated at £103m per annum.

²² <https://naturalresources.wales/evidence-and-data/research-and-reports/protected-sites-baseline-assessment-2020/?lang=en> NRW's baseline assessment of terrestrial protected sites, published earlier this year, reported that it was only possible to assess condition for around half of Wales' site features, but of those assessed only 20% were considered in favourable condition.

NRW's 2018 indicative assessment of Marine Protected Areas found only 46% to be in a favourable condition.

²³ Matt Rayment, [Paying for Public Goods from Land Management](#). See 'Estimating the Scale' below. The estimate of £44m for widespread species recovery stated above is contained within the actions for 'arable and improved grassland', the overall figure of which also includes other arable and grassland actions for protection of this natural resource.

Biosecurity for LIFE project provides an existing and successful mechanism which could be incorporated into a longer-term strategy.

A Seabird Conservation Strategy would complement existing measures to protect and would support the completion of an ecologically coherent and well-managed network of protected sites to protect and recover Wales' marine wildlife. Ensuring that a Seabird Conservation Strategy is funded and deliverable would provide a foundation for strategic, dedicated action to reverse these negative trends, while continuing to protect those seabirds doing well in Wales to counteract losses elsewhere in the UK.

[A National Nature Service for Wales](#)

A recent RSPB paper has estimated that an investment in nature, where this provides opportunities across green jobs (including restoration and creation of priority habitats, nature-based tourism development plan, as well as creation of woodland and urban green spaces), could support almost 7,000 direct FTE jobs in Wales based on the nature related investments summarised above. Additional jobs would be created through supply chain and multiplier effects.

As set out in the attached report, an investment of £68 million per year for the next 10 years for the restoration and creation of priority habitats to meet our priorities for the natural environment and provide nature-based climate solutions. This investment alone could create 1000 new direct Green Jobs in habitat restoration and creation alone, with additional opportunities in the provision of advice to landowners and monitoring of habitats and species. With the right support, enhancing and restoring nature could create or support many more new jobs by enhancing opportunities for tourism and through multiplier effects.

RSPB Cymru and others have been calling for a Welsh Green Workforce or similar to be part of the recovery from Covid. We were delighted when Natural Resources Wales identified a National Nature Service²⁴ as a Priority One Action for a Green Recovery²⁵, and over the past few months, have contributed to the Green Recovery Delivery Group's further development of proposals for a National Nature Service for Wales which will provide the very opportunities needed to enable a Green Recovery. We believe investing in Green Jobs and skills will be the driving force behind a Green Recovery.

In its proposal for a National Nature Service to Welsh Government, the Food Farming and Countryside Commission and the Future Generations Office have proposed an initial investment of £166,598 for a development team to help take the delivery process forward: This includes: 1 FTE Programme Manager @ £52,285 (including salary and on costs); 2 FTE Senior Officers @ £43,701 (including salary and on costs); and 1 FTE Project Support Officer @ £26,911 (including salary and on costs). Additional funding likely to be required to enable demonstrator activities (including the VRP demonstrator). Costs to be determined with relevant organisations. The work of the FCC and FGC rests on a wider stakeholder process of 150 participants, including RSPBCymru, and we support their proposal for delivery as set out to the Minister for Climate Change over the past months.

²⁴ Food, Farming and Countryside Commission 2019, [Our Future in the Land Report](#)

²⁵ Natural Resources Wales 2020, [Green Recovery: Priorities for Action Report](#)

Sustainable Marine Management

As noted above, the Wales National Marine Plan is inadequate as a framework to support development (including of renewable energy) in harmony with nature. Investment is urgently needed in the evidence base to support appropriate spatial allocations and development control policies. NRW's specialist role in advising on proposals for development and other sea use (e.g. on avoiding and mitigating impacts on nature) is also a key constraint.

Sustainable Land Management

We support the proposal for the new Sustainable Farming Scheme (SFS) to enable farmers to restore nature and help tackle the nature and climate crisis, secure the environmental public good that this and future generations depend on, and to promote sustainable food production in supply chains. We do not support the retention of non-objective income support payments, as they don't guarantee value for public money, can result in negative environmental outcomes and, unlike agri-environment payments, are associated with a relatively large decrease in the stability of farm income, across most farm types.²⁶

As outlined above, Wales requires £273 million invested per annum to meet environmental commitments through land management. This is an amount similar to what Welsh farming currently receive from existing support mechanisms. We believe that focussing taxpayers' money on securing environmental outcomes and promoting sustainable food production will provide a strong value for money argument for maintaining the existing rural budget for Wales at a time when public finance is coming under increased scrutiny.

For more information, please contact [REDACTED]

²⁶ [Stability of farm income: The role of agricultural diversity and agri-environment scheme payments.](#) 2020. C. Harkness, F. J. Areal, M. A. Semenov, N. Senapati, I. F. Shield, J. Bishop

Universities Wales response to the Finance Committee of the Senedd's call for information on Welsh Government Draft budget proposals for 2022/23

About Universities Wales

Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK. Universities Wales' membership encompasses the Vice Chancellors of all the universities in Wales and the Open University in Wales. Our mission is to support a university education system which transforms lives through the work Welsh universities do with the people and places of Wales and the wider world

Summary

1. Wales faces a range of profound and wide-ranging challenges over the next Senedd term. These include the economic and social recovery from the pandemic, the need to address climate change, demographic shifts and the impact of technological change on workplaces and the possibility of shrinkage in high-employment occupation areas in Wales.
2. Welsh universities play a fundamental role in our communities, regions and nationally. As well as the economic impact of our universities – spending by universities and students generates over £5bn of economic output and 1 in every 20 jobs in Wales – our universities' work also supports social mobility, tackles poverty and related health impacts, and also brings tangible benefits to people's lives through research and innovation.
3. Universities across Wales provide education and training in key skills necessary for economic development and life and well-being. From engineers to doctors, from nurses to teachers, from journalists to politicians. In the next five years alone, Welsh universities will provide 4,000 years' worth of upskilling and training to businesses and charities, and will train 10,000 nurses and 4,000 medics.
4. Our universities take seriously their responsibilities to people in Wales and our communities. We are the only UK nation where all universities are signed up to a civic mission framework that sets out our activities and ambitions around supporting communities and public services. We are also the only UK nation where all universities are accredited living wage employers.
5. Welsh universities continue to face a range of substantial risks including the impact of the COVID-19 pandemic, uncertainty over policy and funding changes on a UK-level, increasing costs and an uncertain global outlook.

6. There are key ways that future Welsh Government budgets can enable universities to continue to deliver public benefit and address the challenges Wales faces:
 - a. At a minimum, maintain in real terms the current level of investment in higher education. The current HEFCW allocation of £208m supports areas such as core research funding, innovation funding, support for expensive and high cost subjects, and part-time provision.
 - b. Deliver the Reid Review's recommendations on additional investment including a fund to reward those institutions who are successful in bringing additional investment to Wales and enhanced support for innovation.
 - c. Explore opportunities to increase support, through pump priming, for key priorities in Wales such as the environment, life sciences, advanced manufacturing and digital.
 - d. Invest in response to the increased demand for higher level skills: supporting universities to expand degree apprenticeships and funding to support the expansion of collaborations that enable more people to access higher level skills including at level 4 and 5. As part of this approach, an extension of personal learning accounts' grant funding to universities would be welcomed.
 - e. Additional support for capital investment to enable universities to invest in estates and infrastructure. This would help mitigate the short-term risks posted by the loss of EU structural funds.
 - f. Continued support for international activity including through the Welsh Government's commitments to the International Learning Exchange Programme and Global Wales. This will help secure Wales' place on the global stage and, through partnerships and student mobilities, will bring greater investment to Wales.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?
 - 1.1. Welsh universities continue to face a range of risks including the impact of the COVID-19 pandemic, uncertainty over policy and funding changes in England that would impact Wales, and an uncertain global outlook.
 - 1.2. The Welsh Government's budget allocation for financial year 2021-22 was £208 million for higher education (as of the 1st Supplementary Budget). In addition, there was a capital funding allocation of £10m. This budget settlement reflects commitments made

by Welsh Government in response to the Diamond Review which saw reforms to higher education funding¹.

- 1.3. It is important to acknowledge that this funding is in the context of increasing costs across the university sector. For example, employer contributions to the Teacher's Pension scheme increased from 16.4% to 23.6% in September 2019 as a result of decisions made by UK Government. Unlike other affected sectors, there was no government support for these increased costs. Similarly, there has been an increase from 14% in 2009 to 21.4% in 2021 in the level of employer contributions to the Universities Superannuation Scheme (USS). While costs have increased, a key source of university income, the £9,000 tuition fee for undergraduate provision, has remained fixed in cash terms since 2012. Similarly, the current economic outlook including inflation and supply chain challenges is further increasing universities' costs.
- 1.4. Although Welsh universities received funding related to COVID-19 in 2020-21, there has been no additional funding to support the sector's COVID-19 response in 2021-22. Welsh universities continue to provide a robust response to the challenges posed by the pandemic. This work includes responding to increased demand for well-being and support services, supporting new students who have experienced substantial disruption in their education and the ongoing work our universities do with their communities².
- 1.5. Broadly, the Welsh Government's 2021-22 budget, by delivering on commitments made in response to the Diamond Review, has provided consistency and certainty for universities at a crucial point. It has brought core funding for Welsh universities to a level broadly comparable to other parts of the UK.
- 1.6. This funding commitment has played a critical role in supporting universities through the current period of global turbulence. For context, in the academic year 2019-20 and as a result of the onset of the pandemic, the university sector in Wales experienced a reduction of 23% in residences, catering and conference income alone; falling from over £107m to £82.7m³.
- 1.7. The benefits delivered by universities through Welsh Government funding are felt across Wales. Recent independent analysis by Viewforth Consulting⁴ found that Welsh universities generated over £5.3bn of output and 1 in every 20 jobs in Wales. Moreover, universities accounted for 11.8% of Wales' service sector exports in 2019/20. Crucially, 22% of jobs generated by universities are in areas of Wales with no physical university presence.
- 1.8. The economic impact of universities is felt across the supply chain. Universities in Wales are all accredited Living Wage Foundation employers. Wales is the only nation in the UK to have every university accredited.

¹ <https://gov.wales/sites/default/files/publications/2018-02/response-to-the-recommendations-from-the-review-of-student-support-and-higher-education-funding-in-wales.pdf>

² Some examples highlighted here: <https://uniswales.ac.uk/media/Universities-in-Wales-Civic-Response-to-Covid-19.pdf>

³ <https://uniswales.ac.uk/media/The-economic-impact-of-higher-education-in-Wales.pdf>

⁴ Ibid

- 1.9. Universities across Wales provide education and training in key skills necessary for economic development and life and well-being: from doctors, nurses and teachers to engineers, journalists and politicians.
 - 1.10. Research by the National Centre for Entrepreneurship in Education (NCEE), predicts that over the next five years, universities in Wales will:
 - 1.10.1. Give 4,000 years' worth of upskilling and training to businesses and charities.
 - 1.10.2. Help 1,300 new businesses and charities to be formed.
 - 1.10.3. Be part of regeneration projects worth £536 million to the Welsh economy.
 - 1.11. Universities have a crucial role to play in training the healthcare workers who have played such a pivotal role in the country's response to the pandemic. In the next five years we will train 10,000 nurses and 4,000 medics, working with the NHS to provide a critical pipeline of talent to help ensure it has the resources it needs to respond to the challenges it faces both now and in the future.
 - 1.12. Universities' contribution is more than its economic impact. In a typical year, around 260,000 people will attend performances of music, dance, and drama at organised by Welsh universities and around 253,000 will attend free exhibitions, galleries or museums hosted by Welsh universities. Our universities provide community resources and facilities, and are stewards of our language and culture.
 - 1.13. All universities in Wales are partners in the Civic Mission Framework which sets out the ways in which Welsh universities are connected to their local communities and will seek to bring benefits to those communities⁵.
2. How do you think the Welsh Government priorities for 2022-23 should change to respond to COVID-19
- 2.1. The response to COVID-19 will need to be developed and considered within the context of the wider set of challenges that Wales faces in the coming years including climate change, automation and its impact on occupation sectors, and demographic change. Furthermore, the recovery from COVID-19 will be made up of a number of different areas, many of which are relevant to universities and their communities.
 - 2.2. For example, this includes the support universities will have to offer young people starting university who will have experienced at least two academic years of disruption as well as well as the pandemic's impact on their mental and physical well-being. In addition to supporting learners, there will also be the economic recovery including the disruption to skills pipelines due to the pandemic's impact on migratory patterns, likely compounded by the UK's withdrawal from the EU⁶.
 - 2.3. The Welsh Government's priorities for 2022-23 will of course need to reflect the short-term pressures of the pandemic including on health and employment. But, beyond this, there is also a need to ensure that we provide the necessary investment to support

⁵ <http://uniswales.ac.uk/media/Civic-Mission-Framework-Wales-2021.pdf>

⁶ <https://www.ft.com/content/3feef87e-62b5-4fe5-bda4-92178095f092>

Wales' long-term recovery. This will enable us to tackle the challenges we face such as climate change and the impact of technological change on the workplace.

- 2.4. A crucial part of this response will be an understanding of the role of research and innovation across these areas, and **the need to invest in research and innovation to deliver our ambitions for Wales**. Currently, as part of the £208m allocation to higher education by Welsh Government, there is an investment of £88.3m in quality related research funding, which supports research infrastructure in Wales and provides capacity to pursue competitive funding, and £15m in innovation funding⁷⁸.
- 2.5. In addition to maintaining these baseline investments, **we need to ensure funding is available to pump prime key areas of research and innovation** that are related to Wales' priorities such as environment, digital, and life sciences.
- 2.6. The pandemic has not only disrupted employment, as a result of its direct impact on businesses, but has also accelerated the impact of technological change on the workplace. Alongside this shift, Wales is also experiencing profound demographic changes. The number of people aged 16-64 in Wales is projected to decrease by 4.2% between 2016 and 2041, while the number of people aged 65 and over is projected to increase by 36.6%⁹.
- 2.7. Given these changes, it will become increasingly important in Wales that more people of all ages and backgrounds are provided with opportunities to upskill and reskill. Flexible provision will be key to this. Welsh universities have demonstrated a commitment to developing flexible course options and partnerships to facilitate this.
- 2.8. This is evidenced through the speed with which Welsh universities were able to establish and deliver degree apprenticeships despite the challenging circumstances described in the Welsh Government's degree apprenticeship evaluation's scoping report. This report concluded that the governance structure of the programme apparent to be a particular success and there is evidence that the programme has cemented partnerships between universities, colleges and work-based learning providers¹⁰.
- 2.9. There are a range of ways that Welsh Government could target resource to support higher level skills development, an area that has become of greater important given the economic impact of COVID-19. These include:
 - 2.9.1. **Expanding degree apprenticeships**. Currently degree apprenticeship are only available at level 6 (bachelor's) in the subject areas of digital, advanced manufacturing and engineering. We would strongly recommend expanding these programmes into other areas and to master's level. Universities report strong demand amongst businesses and individuals for these programmes.

⁷ <https://www.hefcw.ac.uk/en/news/funding-for-higher-education-in-2021-22/>

⁸ It is important to note that Welsh Government budget years do not line up with the funding year used by HEFCW. However, for the purpose of illustration these figures are broadly consistent with what we would expect from recurrent Welsh Government funding at this level.

⁹ <https://uniswales.ac.uk/media/Solving-Future-Skills-Challenges-in-Wales.pdf>

¹⁰ <https://gov.wales/evaluation-degree-apprenticeship-programme-scoping-report-summary-html#section-81797>

- 2.9.2. Exploring the **further development of micro credentials**. An initial investment has been made in 2021-22 by HEFCW¹¹. Similar developments are taking place elsewhere in the UK¹².
- 2.9.3. **Extending personal learning accounts to universities**. Currently personal learning accounts provide grant funding to FE colleges to deliver provision up to level 5 in a wide range of subject areas. We would recommend exploring what benefits could be gained by extending this offer to include universities.
- 2.10. We would **also welcome capital funding for universities** from Welsh Government for 2022-23. In particular, many universities have had to make additional investment in their estates and infrastructure as a result of the pandemic, including in improvements to digital infrastructure. At the same time, many universities, across the UK and in Wales, are highly leveraged and unable to pursue further lending. Capital investment at this stage would support universities in responding to the changes to operating prompted by the pandemic as well as mitigate some of the uncertainty on the replacement of EU structural funds.
3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?
- 3.1. Welsh universities have consistently demonstrated their ability to manage uncertainty. However, there are key things that Welsh Government can do to support universities in mitigating the impact of the current volatile environment.
- 3.2. Firstly, committing to maintaining, in real terms, the current baseline investment in higher education (£208m as of the first supplementary budget 2021-22) would secure core funding for crucial areas such as quality-related research funding, innovation funding, part-time teaching grant and support for expensive and high cost subjects.
- 3.3. Further support in the areas identified above – pump priming for research and innovation to support priorities such as digital, life sciences and environment, pump priming support for building collaborations and partnerships – would also mitigate the ongoing volatility and uncertainty.
- 3.4. In addition to this, the loss of European Structural and Investment Funds continues to provide considerable uncertainty and risk for Welsh universities. Since 2014, Welsh universities have been awarded over £300m of EU structural funds as lead partners in projects. Although the recent comprehensive spending review detailed the anticipated level of investment in the UK Government’s proposed replacement funds, it is still unclear how this funding will be distributed. **Given this, one way to mitigate the risks**

¹¹ <https://www.hefcw.ac.uk/wp-content/uploads/2021/07/W21-23HE-Call-for-proposals-to-develop-micro-credentials.pdf>

¹²

http://www.sfc.ac.uk/web/FILES/announcements_sfcAN062021/SFC_AN_06_2021_HE_Upskilling_funding_20_21.pdf

posed by the loss of these funds would be to provide additional capital funding for universities.

- 3.5. Capital funding could be used to invest in the learning environment for students. This remains a priority for universities who are continuing to adapt their infrastructure and delivery to provide students with the best possible support and experience as we recover from the pandemic.
 - 3.6. In addition, capital investment will support universities' research and innovation infrastructure. This is an area where EU Structural Funds had been used to good effect and there are further benefits that universities could realise through additional support.
4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?
 - 4.1. We welcome any further measures that focused on transparency in the allocation of budgets and their scrutiny. In higher education there is considerable transparency in terms of financial data and funding allocations.
 5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?
 - 5.1. Universities Wales does not have a view on this area.
 6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

- 6.1. Our universities are key economic anchors across Wales, generating over £5bn of output and 1 in every 20 jobs. But universities' economic contribution is broader than this. Universities deliver research and innovation activity that is closely linked with increases in productivity and helps ensure Wales is prepared for the social and technological changes we face. Graduates make valuable contributions through their work and through entrepreneurship. Wales continues to be a leader in student and graduate entrepreneurship with the highest number of graduate start-ups per capita in the UK¹³.

¹³ <https://www.hesa.ac.uk/data-and-analysis/business-community/ip-and-startups>

- 6.2. At the same time, universities face a distinct set of risks and pressures including the impact of the pandemic on students, uncertainty over replacement EU funding, the possible impact of reforms to higher education funding in England, the uncertain global outlook, and increasing costs.
- 6.3. Our universities are a key part of Wales' social and economic fabric and will play a key role in tackling the challenges that Wales faces including our recovery from the pandemic, climate change, automation and demographic change.
- 6.4. Given this, we would recommend ensuring sufficient resource is provided to enable universities to support Welsh Government and other stakeholders in mitigating the challenges Wales' faces.
- 6.5. This would include:
 - 6.5.1. At least maintaining, in real terms, the current level of investment in higher education from the Welsh Government: £208m which supports areas such as core research funding, innovation funding, support for expensive and high cost subjects, and part-time provision.
 - 6.5.2. Delivering the Reid Review's recommendations of additional investment in research and innovation including a fund to reward those who are successful in securing additional investment in Wales and enhanced innovation funding¹⁴.
 - 6.5.3. Exploring opportunities to increase support through pump priming for key priorities in Wales such as the environment, life sciences, advanced manufacturing, and digital.
 - 6.5.4. Capital investment to enable universities to invest in estates and infrastructure, particularly in the light of the pandemic. Many universities (across the UK as well as Wales) are already highly leveraged and, as a result, are limited in what additional lending can be taken up. Capital investment would enable continued investment in infrastructure, including for research and innovation purposes, and would help mitigate in the short-term the risks posed by the loss of EU structural funds.
 - 6.5.5. Investing in response to the increased demand for higher level skills: supporting universities to expand degree apprenticeships and funding to support the expansion of collaborations that enable more people to access higher level skills including level four and five. This would enable more people of all ages and backgrounds to access higher education.
 - 6.5.6. Continued support for international activity including through the Welsh Government's commitments to the International Learning Exchange Programme and Global Wales. This will help secure Wales' place on the global stage and, through partnerships and student mobilities, will bring greater investment to Wales.
- 6.6. Government may have ambitions for specific programmes or developments including those in their plan for government. In the budget they may need to consider how these

¹⁴ <https://gov.wales/sites/default/files/publications/2019-04/review-of-government-funded-research-and-innovation-reid-review.pdf>

developments be resourced in three ways – pump priming, ongoing revenue costs and significant capital costs.

- To what extent alleviating climate change should be prioritised in supporting economic recovery

- 6.7. Tackling climate change and its associated impacts will be one of the foremost challenges that Wales will face in coming years. Universities have a vital role to play in the global fight against climate change: through developing and innovating solutions addressing how we transition to a low-carbon future, and by training the future workforce with skills for a greener future.
- 6.8. It is entirely appropriate that tackling climate change should be a key focus for our economic recovery including the development of research and innovation activity. Support for research and innovation to tackle climate change could encompass a range of activities from new innovations in energy capture and storage through to studies of the impact of climate change on communities and what approaches could be utilised to shift behaviours.

- How resources should be prioritised to address the pressures felt in sectors that need to 'catch-up', such as health and education

- 6.9. A generation of children and young people will have undergone a level of disruption unlike anything in recent history. We would encourage the consideration of these challenges to be wider than in terms of 'catch-up' which tends to focus on support such as additional tuition.
- 6.10. For example, already universities report an increase in demand for student support services which indicate an increased prevalence of well-being issues for students.
- 6.11. Beyond this, given the demographic shifts and the changes to the workplace, we anticipate that more people of all ages and backgrounds will be seeking higher education which will place a different set of pressures on our institutions.
- 6.12. It is also important to reflect that the prioritisation of resources in health and education will also encompass research and innovation. For example, life sciences is an area of research strength in Wales. Research across life sciences and related disciplines will support Wales with pandemic preparedness ensuring we are able to maintain the infrastructure that has developed to manage the pandemic and minimise the impact of future pandemics in Wales.
- 6.13. Throughout this response we have outlined a number of priority areas that would address these pressures including:
- 6.13.1. Maintaining in real terms, at least the current level of investment in higher education
- 6.13.2. Additional capital investment in higher education

6.13.3. Support for flexible learning including the expansion of degree apprenticeships and pump priming for collaborative delivery of level 4 and 5 provision

6.14. In addition to this, support for research in Wales will help further our understanding of the education and health impacts of the pandemic and identify ways in which we can best support those affected including on a system and individual level.

- Welsh Government policies to reduce poverty and gender inequality

6.15. Universities have an important role in reducing poverty and gender inequality in Wales. Higher education remains a major catalyst for social mobility and Welsh universities have a long track record of comparing favourably to the rest of the UK in terms of the percentage of students from under-represented groups¹⁵.

6.16. Welsh universities continue to contribute to wider public and social objectives. Welsh universities have become signatories of the Welsh Government's Code of Practice for Ethical employment in Supply Chains and are accredited Living Wage Foundation employers. This makes Wales the only UK nation where all universities are accredited by the Living Wage Foundation.

6.17. Similarly, all Welsh universities are committed to delivering civic mission activities and are partners in the Civic Mission Framework which sets out the sectors ambitions for further developing our universities' benefits for local communities.

6.18. Higher education, more broadly, also plays a role in addressing gender inequality. Recent work by IFS suggests that attending university increases women's earnings by 26% at age 29¹⁶. Similarly, a study of graduate earnings found that all students, no matter their subject choice or background, benefit from higher education with underrepresented groups having relatively high returns from going to university¹⁷.

- Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)

6.19. A range of activities carried out by Welsh universities make a positive contribution to the well-being and prosperity of people and places in Wales and, as such, the funding to support those activities should be viewed as preventative spending. For example, research and innovation activity exploring issues such as clean, sustainable energy capture and storage can help reduce future carbon emissions. Similarly, the opportunities offered by universities for people of all ages and backgrounds to access higher level skills will help address the potential economic and societal shocks of automation and technological change.

¹⁵ <https://www.hesa.ac.uk/news/01-02-2018/widening-participation-tables>

¹⁶ <https://www.ifs.org.uk/publications/13732>

¹⁷ <https://ifs.org.uk/publications/15383>

- Sustainability of public services, innovation and service transformation
- How evidence is driving Welsh Government priority setting and budget allocations
- How the Welsh Government should use taxation powers and borrowing.
- What specific support is needed in the budget for businesses. economic growth and agriculture, related to post EU transition.

6.20. As outlined throughout this consultation, there are a range of steps that Welsh Government can take to mitigate the risks posed by the post EU transition. These include:

6.20.1. Providing capital investment to mitigate the loss of EU Structural Funds and the ongoing uncertainty over replacement funds

6.20.2. Support business demand for higher level skills through the expansion of the highly regarded degree apprenticeship programme. Further respond to demand for higher level skills through investment in flexible learning provision, an extension of personal learning account funding to higher education and pump-priming to support further collaboration activity.

6.20.3. Support businesses through investment in research and innovation including pump priming for research and innovation activity in key priority areas such as environment, life sciences, digital and advanced manufacturing.

Universities Wales

29 November



Overview

- i. Cardiff University is an ambitious and innovative university with a bold and strategic vision. We provide an educationally outstanding experience for our students. Driven by creativity and curiosity, we strive to fulfil our social, cultural, and economic obligations to Cardiff, Wales, the UK, and wider world.
- ii. We would encourage the Finance Committee, as well as others in the Senedd, to scrutinise the extent to which the Welsh Government's draft budget for 2022–23 supports research and innovation. The matter covers several priority areas that the committee identified in its call for information for this inquiry, namely the post-EU support needed for businesses, economic growth and 'building back better'.¹
- iii. Specifically, the committee should consider the extent to which the draft budget allows the Welsh Government to deliver the unfulfilled recommendations of the Diamond and Reid reviews.^{2 3} The extra £2.5bn per annum from the UK Government's Comprehensive Spending Review provides space for these recommendations to now be implemented at pace.

1. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

- 1.1 The economic effects of the COVID-19 pandemic, as well as the inequalities it exposed, make it essential that the Welsh Government boosts the capacity for research and innovation in Wales. An immediate priority should be implementation of the unfulfilled recommendations of the Diamond and Reid reviews:
 - Maintaining quality related (QR) research funding to preserve academic autonomy.⁴
 - Increasing HEFCW's innovation and engagement funding to £25m per annum (it is currently £15m).⁵
 - Creating a £30m Future of Wales Fund, rewarding institutions that attract investment into Wales.
 - Establishing a £35m St David's Investment Fund for innovation competitions and hubs.
- 1.2 The Fifth Senedd's Economy, Infrastructure and Skills Committee supported the implementation of these recommendations as a matter of urgency in its legacy report.⁶ Despite accepting the committee's request in principle, the Welsh Government's response was unclear as to whether it would proceed in full.⁷ The response, as well as other statements, pointed to the UK Government's plans for post-EU regional development funding as casting doubt on Reid implementation.^{8 9 10}
- 1.3 However, this should not be the case – Reid clearly included spending commitments for the Welsh Government with and without control of replacement EU funds; it was a £176.75m total with control and £241.75m without.¹¹ Given current trends in Westminster, we advocate that the £176.75m be delivered.

¹ Welsh Parliament Finance Committee. 2021. [A call for information – Welsh Government Draft Budget proposals for 2022-23](#). Cardiff: Senedd Cymru.

² Diamond, I. 2016. [The Review of Higher Education Funding and Student Finance Arrangement in Wales](#). Cardiff: Welsh Government.

³ Reid, G. 2018. [Review of Government Funded Research and Innovation in Wales](#). Cardiff: Welsh Government.

⁴ Russell Group. 2021. [Underpinning our world class research base: the importance of 'QR' funding](#). London: Russell Group.

⁵ Higher Education Funding Council for Wales. 2021. [HEFCW's Funding Allocations 2021/22](#). Caerphilly: Higher Education Funding Council for Wales.

⁶ Welsh Parliament Economy, Infrastructure and Skills Committee. 2021. [Long-term recovery from COVID-19](#). Cardiff: Senedd Cymru.

⁷ Welsh Government. 2021. [Welsh Government response to the Economy Infrastructure and Skills Committee Long-term recovery from COVID-19](#). Cardiff: Senedd Cymru.

⁸ Ibid. p. 7.

⁹ Senedd Cymru. [W082855 \(e\)](#). Cardiff: Senedd Cymru.

¹⁰ McIntyre, F. 2021. [Welsh government 'committed' to Reid R&D review](#). London: Research Professional.

¹¹ [Review of Government Funded Research and Innovation in Wales](#). p. 64.

- 1.4 The Welsh Government's response also stated that "HEFCW is working with Universities Wales on a further coordination initiative to aid capture of competitive funding".¹² It is true that HEFCW and Universities Wales are collaborating on such matters, with Professor Reid having produced an entirely separate report on how Welsh universities can best make use of their strengths.¹³ However, Reid's work for Universities Wales in no way obviates or negates the implementation of the Welsh Government-commissioned and -backed Reid review.
- 1.5 The Minister for the Economy repeated the claim regarding EU funding and the Reid review in plenary on 19 October 2021, indicating that universities now accept that the UK Government's plans for regional development funding mean that the "headline from the Reid review is going to need to be pared back".¹⁴ We want to confirm that Reid provided two sets of spending recommendations, one if the Welsh Government had full control of replacement funding and one without. We would expect the latter now to be implemented, especially given the new headroom in the Welsh Government's budget.
- 1.6 We believe that the 2021 Comprehensive Spending Review provides the Welsh Government with sufficient resource to fulfil the recommendations. The UK Government issued a press release promoting the review and concomitant budget as delivering "the largest annual funding settlement to Wales since devolution".¹⁵ This is based on £18bn per year for the Welsh Government, which is a figure boosted by £2.5bn each year because of the Budget. Before the Spending Review, the Wales Governance Centre said there was an improved fiscal outlook.¹⁶ After its publication, the Centre portrayed it as a boost to the Welsh budget and demonstration of the importance of tax devolution.¹⁷ This new headroom allows the Welsh Government to fully implement the recommendations of the Reid review.
- 1.7 The First Minister recently issued a written statement regarding the Welsh Government's five priorities for research, development and innovation.¹⁸ They are to:
- Ensure Wales has a fair share of available research, development and innovation funding, with the Welsh Government working "to secure funding levels at least equivalent to those [Wales] received historically, via the European Union" and "to address historic underfunding from both competitive and non-competitive UK investment sources".¹⁹
 - Deploying research, development and innovation capacity with a focus on climate change, environmental recovery and decarbonisation.
 - Building research, development and innovation capacity in health and life sciences, while ensuring Wales is a full partner in delivering the UK Life Sciences Vision.
 - Cross-government innovation strategy with a particular focus on impact.
 - Next phase of Sêr Cymru.
- 1.8 While much of this is to be welcomed, the exact wording of the first priority is a cause for concern. It again signals the end to the Welsh Government's ambitions to deliver all of Professor Reid's recommendations on research and innovation in Wales. The new focus is only to help Wales reach levels of R&D it used to achieve via the EU. It should be noted that the Reid review was commissioned before the UK left the EU, meaning the uplifts Professor Reid recommended were needed before regional development funding ceased. Setting a target to returning to EU levels is insufficient.
- 1.9 As to the amount required, we believe the Welsh Government is still c. £63.5m per year short of its accepted Reid commitments.

¹² Welsh Government response to the Economy Infrastructure and Skills Committee Long-term recovery from COVID-19. p. 7.

¹³ Reid, G. 2020. *Strength in Diversity: Exploring opportunities for collaboration in research and innovation between universities in Wales*. Cardiff: Universities Wales.

¹⁴ Senedd Cymru. 2021. *Statement by the Minister for Economy: Moving the Welsh Economy Forward*. Cardiff: Senedd Cymru.

¹⁵ UK Government. 2021. *Record £18 billion a year for Wales in Budget*. London: UK Government.

¹⁶ Ifan, G. 2021. *Welsh Budget Update: Outlook ahead of Spending Review 2021*. Cardiff: Wales Governance Centre.

¹⁷ Ifan, G. and Siôn, C. 2021. *UK Government Budget and Spending Review 2021: Implications for Wales*. Cardiff: Wales Governance Centre.

¹⁸ Drakeford, M. 2021. *Written Statement: Five priorities for research, development and innovation*. Cardiff: Welsh Government.

¹⁹ Ibid.

Table 1: Difference between Reid recommendations and current allocations

Stream	Reid (£m) ²⁰	2021/22 allocation (£m) ²¹	Difference (£m)
QR	71	81.7	10.7
Postgraduate research	8.75	6.2	-2.55
Sêr Cymru	6	5.7 ²²	-0.3
HEFCW innovation and engagement	25	15	-10
Learned Society of Wales	1	0	-1
Future of Wales Fund	30	0	-30
Welsh Government innovation	10	4.7 ²³	-5.3
Innovation hubs	10	0	-10
Innovation competitions	15	0	-15
Total	176.75	113.3	-63.45

1.10 It is not possible to model institutional shortfalls for each funding stream (e.g., innovation competitions) but the following provides a guide:

Table 2: Difference between Reid recommendations and current allocations for HE

University	HEFCW innovation and engagement (£m)		Future of Wales Fund (£m)		Difference (£m)
	Reid	2021/22 allocation ²⁴	Reid	2021/22 allocation ²⁵	
Aberystwyth	2.83	1.70	2.72	0	-3.85
Bangor	3.53	2.12	2.76	0	-4.16
Cardiff	4.07	2.44	15.32	0	-16.92
Cardiff Met	2.30	1.38	0.32	0	-1.25
Glyndŵr	1.82	1.09	0.08	0	-0.81
OU Wales	0.9	0.54	0	0	-0.33
Swansea	4.45	2.67	8.01	0	-9.81
USW	2.10	1.26	0.74	0	-1.61
UWTSD	2.98	1.79	0.04	0	-1.24
Total	25	15	30	0	-40

2. 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 any of the areas identified, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.
- To what extent alleviating climate change should be prioritised in supporting economic recovery.
- How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.
- Welsh Government policies to reduce poverty and gender inequality.
- Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).
- Sustainability of public services, innovation and service transformation.
- How evidence is driving Welsh Government priority setting and budget allocations.
- How the Welsh Government should use taxation powers and borrowing.
- What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.

²⁰ Ibid.

²¹ All figures from HEFCW 2021/22 allocations, unless otherwise stated.

²² Welsh Government. 2020. [Welsh Government Draft Budget 2021-22: Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG](#). Cardiff: Welsh Government.

²³ Total of lines marked “innovation” in the Welsh Government’s budget. See: Welsh Government. 2021. [Final Budget 2021 to 2022](#). Cardiff: Welsh Government.

²⁴ Calculated *pro rata*.

²⁵ Calculated by dividing £30m in accordance with average share of Wales’s last five years’ research income. See: Higher Education Statistics Agency. [What is the income of HE providers?](#). Cheltenham: Higher Education Statistics Agency.

- **What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)?**
- 2.1 Implementing the Reid recommendations, as outlined in previous section, is the kind of support that is needed for businesses and economic growth post-EU, as well as a means of 'building back better'. Wales's research base was critical in supporting the nation's response to COVID-19 and will be vital in preparations for future pandemics and crises – a point that the Chief Medical Officer recognised when examining lessons from the pandemic.²⁶ A similar argument was made by the Fifth Senedd's Cross-Party Group on Medical Research, who called for the Reid review to be fully implemented to support Welsh research in achieving its potential.²⁷
 - 2.2 Research and innovation funding is also a form of preventative spending – investing in fundamental research now will deliver the kind of future economic growth and social innovations that reduce pressures on the Welsh Government's budget. For example, the University has three projects underway in Abercynon, Llanelli and Brecon that focus on 'social prescribing'. All three are intended to tackle mental health challenges, which is one of the key healthcare challenges. The projects are intrinsically valuable, but also have benefits that could be considered 'preventative' e.g., reducing demand and costs. Another example is the University's work with the Cardiff Capital Region in designing and delivering the Innovation Challenge Fund programme. The first challenge underway is simulation technology health care training, which is seeking innovations from the private sector.²⁸
 - 2.3 Efforts are also underway to establish a Data Nation Accelerator and a Net Zero Wales R&D consortium (the latter is led by both Cardiff and Swansea University). These are the kind of initiatives that should be prioritised post-COVID, ensuring Wales is both resilient and keeping pace with the ambitions outlined in both the net zero strategy and the recent co-operation agreement between Welsh Labour and Plaid Cymru.^{29 30}

²⁶ Atherton, F. 2021. [Protecting our Health: our response in Wales to the first phase of COVID-19](#). Cardiff: Welsh Government.

²⁷ British Heart Foundation. 2021. [The Cross Party Group on Medical Research](#). London: British Heart Foundation.

²⁸ Cardiff Capital Region. 2021. [CCR introduces inaugural £400k Innovation Challenge Fund for simulation technology health care training](#). Cardiff: Cardiff Capital Region.

²⁹ Welsh Government. 2021. [Net Zero Wales](#). Cardiff: Welsh Government.

³⁰ Welsh Government. 2021. [The Co-operation Agreement: 2021](#). Cardiff: Welsh Government.

At sylw: Peredur Owen Griffiths AS a'r Pwyllgor Cyllid

Ymateb i Gyllideb Ddrafft Llywodraeth Cymru ar ran aelodau'r wyth Cwmni Cenedlaethol a ariennir gan Gyngor Celfyddydau Cymru

Pwysleisiwyd pwysigrwydd y celfyddydau i bobl Cymru yn ystod y pandemig. Fel allfa greadigol i wneud synnwyr o'r byd, fel achlysur cymdeithasol, neu fel dihangfa bur, mae llawer o bobl wedi cael llawenydd, cysur a gobaiith drwy'r celfyddydau. Ond ar yr un pryd, roedd gweithlu medrus a phrofiadol iawn mewn sefyllfa o fethu gweithredu fel roedden nhw wedi'i wneud o'r blaen. Profodd y sector ei fod yn ystwyth ac yn greadigol wrth ymateb i'r argyfwng, ac erbyn hyn mae ganddo weledigaeth feiddgar o ddyfodol lle mae'r celfyddydau'n ganolog i wead Cymru – gan gefnogi ei dinasyddion gartref a chynrychioli ei bywiogrwydd ledled y byd.

Mae'n hanfodol bod cyllideb Llywodraeth Cymru ar gyfer 22-23 yn cefnogi'r weledigaeth hon.

Yn y llythyr hwn, mae manylion ynghylch sut mae'r celfyddydau'n cefnogi'r Rhaglen Lywodraethu, a pham y dylai fod yn sector blaenoriaeth i gael cefnogaeth yn 22-23 fel rhan o adferiad economaidd Cymru. Amlygir hefyd yr angen allweddol i fuddsoddi mewn llwybrau i mewn i weithlu'r celfyddydau, yn enwedig ar gyfer swyddi y tu ôl i'r llenni. Mae hyn yn ffactor ar draws y diwydiannau creadigol lle gallai twf gael ei lesteirio heb y buddsoddiad angenrheidiol ar y cam hwn.

Mae'r cwmnïau celfyddydol cenedlaethol yn awyddus i gefnogi Llywodraeth Cymru i gyflawni ei nodau ac i gefnogi adferiad economaidd y genedl. Os oes angen rhagor o wybodaeth arnoch, cysylltwch â Lleucu Siencyn (Prif Weithredwr Llenyddiaeth Cymru) drwy

[REDACTED]

Cofion cynnes,

Lleucu Siencyn

Ar ran aelodau'r wyth cwmni cenedlaethol a ariennir gan Gyngor Celfyddydau Cymru. Yr wyth yw: Cerddorfa Genedlaethol Gymreig y BBC, Ffilm Cymru, Llenyddiaeth Cymru, National Theatre Wales, Theatr Genedlaethol, Cwmni Dawns Cenedlaethol Cymru, Canolfan Mileniwm Cymru, ac Opera Cenedlaethol Cymru.

Crynodeb:

Mae'r cwmnïau celfyddydol Cenedlaethol yn croesawu'r cyfle i gael mewnbwn i waith craffu'r Pwyllgor Cyllid ar Gyllideb ddrafft 22-23 ac yn galw ar Lywodraeth Cymru i fuddsoddi yn y canlynol:

- adferiad gwyrdd i'r sector creadigol sy'n cydnabod y costau cyfle o addasu ffyrdd o weithio a datblygu cynnyrch a gwasanaethau newydd i gynnig dewisiadau cynaliadwy sy'n cyd-fynd ag arferion gweithio ym meysydd cludiant, ynni, bwyd a gwaredu gwastraff;
- datblygu sgiliau sy'n cydnabod ac yn galluogi'r sector creadigol fel sector twf; a
- iteriad pellach o'r Gronfa Adferiad Diwylliannol i gefnogi canolfannau creadigol – gan gynnwys theatrau, sinemâu a gofodau aml-gelfyddyd – yn eu hadferiad ariannol.

Deddf Llesiant Cenedlaethau'r Dyfodol

Gall y sector diwylliannol chwarae rhan bwysig yn y gwaith o gefnogi cyfraniadau pob un o'r 44 corff sector cyhoeddus i gyflawni saith nod Llesiant Cenedlaethol Deddf Llesiant Cenedlaethau'r Dyfodol. Mae'r nodau hyn yn cyd-fynd yn naturiol â nodau a gwerthoedd sefydliadol llawer yn sector y celfyddydau.

Mae lles diwylliannol a hawliau diwylliannol yn ganolog i'r agenda datblygu cynaliadwy. Mae llawer yn y sector diwylliannol, o sefydliadau llawr gwlad i gwmnïau cenedlaethol, wedi bod yn gweithio o dan yr hyn a elwir yn egwyddor datblygu cynaliadwy – neu'r pum ffordd o weithio – ers blynnyddoedd lawer. Rydyn ni'n reddfodol yn deall gwerth hirdymor cyd-greu a gweithgarwch atal wrth fynd i'r afael ag anghydraddoldebau cymdeithasol.

Mae'r Ddeddf yn dangos yn glir pa mor effeithiol y gall gweithio ar draws sectorau fod, ac fe fydden ni'n eiriol dros ymgysylltiad cynyddol rhwng y sector diwylliannol a sectorau eraill sydd o dan bwysau, gan gynnwys Iechyd ac Addysg. Gall cyrff sector cyhoeddus, fel byrddau iechyd lleol, harneisio grym meddwl yn greadigol wrth ddatblygu polisiâu newydd a meddwl yn wahanol am adferiad yng Nghymru, yn economaidd ac er iechyd a ffyniant y genedl.

Gall diwylliant chwarae rhan gadarnhaol mewn gwaith adfywio lleol a gwneud penderfyniadau dinesig. Bydd mynd i'r afael â'r argyfwng hinsawdd a natur yn hanfodol er mwyn sicrhau diogelwch a llesiant cenedlaethau'r dyfodol, a gall y sector diwylliannol chwarae rhan amlwg wrth gyfathrebu pryderon plant, a phobl ifanc, ynghyd â'u gobeithion – gan sicrhau bod eu lleisiau yn cael eu cynnwys o gwmpas bwrdd y penderfynwyr a'r llunwyr polisi.

Buddsoddi mewn adferiad gwyrdd

Fel sector, rydyn ni wedi ymrwmo i ddod yn sefydliadau mwy cynaliadwy ac ymwybodol o'r amgylchedd gyda phwyslais penodol ar addasu sut rydyn ni'n gweithio o ran cludiant, arlwy, a gwaredu gwastraff. Fodd bynnag, mae effeithiau cyllidebol i hyn. Teimlwn y dylai fod rhagor o gyllideb ar gael i fynd i'r afael â'r argyfwng hinsawdd ar lefel sector, sy'n cydnabod bod angen datblygu atebion gwyrdd o fewn cyd-destunau penodol, ac i gefnogi cwmnïau i weithio mewn ffyrdd mwy cynaliadwy. Er enghraifft, wrth gynrychioli Cymru ar y llwyfan rhyngwladol, fe fydden ni'n argymhell y dylid teithio ar drên yn hytrach na hedfan – mae hyn yn ychwanegu hyd at 25% at y

gyllideb teithio. Yn ogystal, mae angen datblygu cynnyrch a gwasanaethau gwyrdd newydd fydd yn rhoi dewisiadau mwy amgylcheddol gynaliadwy i'r sector. Dyma faes lle mae rhai cronfeydd UKRI (£600k) wedi'u targedu, fel rhan o gais aml-bartner llwyddiannus Media Cymru ar gyfer Prifddinas-Ranbarth Caerdydd, ond lle mae rhagor o waith i'w wneud.

O safbwynt creadigol, fel cwmnïau celfyddydol gallwn hefyd dynnu sylw at faterion amgylcheddol fel pwnc, gan godi ymwybyddiaeth y cyhoedd. Gallwn archwilio a chanolbwyntio meddwl cymunedol. Gallwn ddylanwadu a gweithredu ar lefel leol, gan archwilio materion fel newid hinsawdd, llifogydd a bioamrywiaeth.

Cydnabod effeithiau parhaus y Pandemig

Mae'r Cronfeydd Adfer Diwylliannol wedi bod yn hanfodol i lawer yn y sector o ran goroesi, yn enwedig canolfannau y mae eu modelau busnes yn dibynnu ar ennill incwm, sydd wedi dymchwel yn ystod y cyfnod. Hyd yn oed ar hyn o bryd, mae'r incwm a enillir ar gyfer canolfannau a chynhyrchwyr gwaith sy'n ddibynol ar ffioedd ac incwm tocynnau yn dal i fod ymhell islaw'r lefelau cyn y pandemig. Mae hyn yn golygu bod effaith y sefydliadau hynny yn cael ei gyfyngu ar yr union adeg y mae angen i gymunedau Cymru brofi'r ysbrydoliaeth a'r cysylltiad mae diwylliant yn ei gynnig i gynulleidfaoedd a chyfranogwyr. Mae llawer o sefydliadau yn croesawu newid – i weithio'n agosach gyda'r rhai mae'r pandemig yn effeithio arnynt fwyaf, i adlewyrchu Cymru a'i hamrywiaeth yn well yn ein staff, ein hartistiaid a'n cynulleidfaoedd, ac i fabwysiadu modelau busnes newydd sy'n amgylcheddol gynaliadwy. Dim ond dros gyfnod rhesymol o amser y gellir rhyddhau'r newid hwn, wrth i bobl newydd gael eu tynnu i mewn, wrth i ffynonellau cyllid gael eu hadnabod, ac i ddyluniadau sefydliadol addasu. Yn ystod y cyfnod hwn o newid, mae angen cefnogaeth barhaus ar y sector i wreiddio'r newid hwnnw.

Mae tystiolaeth wedi'i darparu i'r Pwyllgor Diwylliant – ar gyfer ei ymchwiliad ar 24 Tachwedd 2021 i effaith Covid-19. Mae hyn yn cynnwys, er enghraifft, cydnabod costau gweithredu Pàs Covid a fandadwyd yn ddiweddar mewn theatrau a sinemâu, gan gynnwys yr angen i agor canolfannau am gyfnodau hirach, gyda rhagor o staff, i wirio'r Pàs; costau marchnata ychwanegol; a cholli refeniw yn sgil llai o ymwelwyr, canslo ac ad-daliadau.

Mae canolfannau celfyddydol a diwylliannol, drwy gydol y pandemig, wedi mynd yr ail filltir er mwyn amddiffyn y cyhoedd, ond bydd angen rhagor o amser arnynt i adfer wrth i gynulleidfaoedd adennill eu hyder yn mynychu'r canolfannau hyn.

Buddsoddi mewn twf – yr agenda sgiliau

Mae'r diwydiannau creadigol yn sector twf sy'n cynnig cyfle i gael swydd gwerth uchel. Er enghraifft, mae'n nodedig, er gwaetha'r pandemig, bod gwariant gwledydd Prydain ar ffilmiau nodweddiadol wedi aros yn uchel ar £1.69 biliwn rhwng mis Gorffennaf 2020 a mis Mehefin 2021, tra bod gwariant ar y cynrychiadau teledu drytaf wedi codi o £1.01 biliwn yn 2016-17 i £3.46 biliwn yn 2020/21 (BFI 2021). Mae'r galw hwn yn gofyn am bobl fedrus a buddsoddiad mewn hyfforddiant fel tanwydd i feithrin capasiti.

Mae'r sector creadigol yn defnyddio ystod amrywiol iawn o sgiliau, o adeiladu ac arlwyyo, i weinyddiaeth, cyfrifyddiaeth, trydanwyr, trin gwallt a choluro i ysgrifennu, dylunio a rheoli busnes, ac mae galw ar draws yr holl feysydd arbenigedd. Yn y cyfamser, mae sector y celfyddydau perfformio yn profi prinder difrifol o staff cefn llwyfan gan gynnwys rheolwyr cynhyrchu, rheolwyr llwyfan a thechnegwyr, wedi i lawer adael y sector pan oedd canolfannau'n wynebu cau am gyfnod hir.

Mae ymrwymiad Llywodraeth Cymru i sefydlu corff sgiliau yn ei Rhaglen Lywodraethu, fel mae Cymru Greadigol wedi bod yn ei hyrwyddo, yn gofyn am gefnogaeth ariannol i sicrhau y gellir gwireddu anghenion a chyfleoedd i dyfu. Yn benodol, mae hyn yn cynnwys darpariaeth ar gyfer rhagor o brentisiaethau (gan gynnwys cyd-brentisiaethau); datblygu a hyrwyddo cyrsiau trosi sy'n galluogi pobl â sgiliau trosglwyddadwy i symud i'r sector a hyfforddiant datblygiad proffesiynol parhaus.

Rydyn ni'n barod i weithio gyda Llywodraeth Cymru i ddatblygu a chyflawni ei strategaeth sgiliau creadigol, gan gynnwys sefydlu llwybrau clir o fyd addysg. Ac rydyn ni wedi ymrwymo i weithio'n uniongyrchol ac ochr yn ochr ag eraill mewn ffordd ymarferol i gyflymu'r gwaith o ddatblygu gweithlu sy'n wynebu'r dyfodol.

FAO: Peredur Owen Griffiths MS and the Finance Committee

Welsh Government Draft Budget response on behalf of members of the eight National Companies funded by the Arts Council of Wales

The importance of the arts to Welsh people has been emphasised during the pandemic. As a creative outlet to make sense of the world, a social occasion, or purely escapism many people have found joy, comfort, and hope through the arts. But at the same time, a highly skilled and experienced workforce found themselves unable to operate as they previously had. The sector proved itself to be agile and creative in responding to the crisis and now has a bold vision for a future where the arts are central to the fabric of Wales – supporting its citizens at home and representing its vitality across the world.

It is crucial that the Welsh Governments' budget for 22-23 supports this vision.

Enclosed in this letter are details of how the arts support the Programme for Government, and why it should be a priority sector to support in 22-23 as part of Wales' economic recovery. Also highlighted is the critical need to invest in routes into the arts workforce, particularly for behind-the-scenes roles. This issue is shared across the creative industries where growth could be stymied without the requisite investment at this point.

The national arts companies are keen to support Welsh Government to achieve its aims and support the economic recovery of the nation. If any supplementary information is wanted, please contact Lleucu Siencyn (CEO of Llenyddiaeth Cymru I Literature Wales) via [REDACTED]

Warm Regards,

Lleucu Siencyn

On behalf of members of the eight national companies funded by the Arts Council of Wales. They are: BBC National Orchestra of Wales, Ffilm Cymru, Literature Wales, National Theatre Wales, Theatr Genedlaethol, National Dance Company Wales, Wales Millennium Centre, and Welsh National Opera.

Summary:

The National arts companies welcome the opportunity to input into the Finance Committee scrutiny of the draft 22-23 Budget and call on Welsh Government to invest in:

- a green recovery for the creative sector that recognises the opportunity cost of adjusting ways of working and developing new products and services to provide sustainable options aligned with working practice across transport, energy, food and waste disposal.
- skills development that recognises and enables the creative sector as a growth sector; and
- a further iteration of the Cultural Recovery Fund to support creative venues – including theatres, cinemas and multi-arts spaces – in their financial recovery.

The Well-being of Future Generations Act

The cultural sector can play an important role in supporting all 44 public sector bodies' contributions to meeting the seven National Well-being goals of the Future Generations Act. These goals naturally align with the organisational aims and values of many in the arts sector.

Cultural well-being and cultural rights are central to the sustainable development agenda. Many in the cultural sector, from grass roots organisations to national companies, have been working under what is known as the sustainable development principle – or the five ways of working – for many years. We instinctively understand the long-term value of co-creation and prevention in addressing societal inequalities.

The Act shows clearly how effective and sensible working across sectors can be, and we would advocate for an increased engagement between the cultural sector and other pressurised sectors, including Health and Education. Public sector bodies, such as local health boards, can harness the power of creative thinking when developing new policies and think differently about recovery in Wales, both economic and for the nation's health and prosperity.

Culture can play a positive role in local regeneration and civic decision-making. Addressing the climate and nature emergency will be crucial to ensure the safety and well-being of our future generations, and the cultural sector can play a prominent role in communicating the anxieties, as well as hopes, of children and young people – making sure that their voices are included around the table of decision and policy makers.

Investment into a green recovery

As a sector we are committed to becoming more environmentally aware and sustainable organisations with a particular focus on adapting how we work in terms of transport, waste disposal, and catering. This does, however, have budgetary impacts. We feel that there should be more budget available to address the climate emergency at sectoral level, that recognises that green solutions need to be advanced within specific contexts, and to support companies to work in more sustainable ways. For example, when representing Wales on the international stage we would advocate to travel by train rather than air – this adds up to an additional 25% to the touring travel budget. There is also a need to develop new green products and services that enable the sector to have more environmentally

sustainable choices, which is an area where some UKRI funds (£600k) have been leveraged, as part of the successful multi-party Media.Cymru bid for the Cardiff Capital Region, but where there is more work to do.

From a creative perspective, as arts companies we can also highlight environmental issues as subject matter, raising public awareness. We can explore and focus community thinking. We can influence and implement action on a local level, exploring subject matters such as climate change, flooding and biodiversity.

Recognising the ongoing effects of the Pandemic

The Cultural Recovery Funds have been essential for the survival of many in the sector, especially venues whose business models are dependent on earned income which has collapsed. Even now, earned income for venues and producers of work who are dependent on ticket income and fees remains well below pre-pandemic levels. This means that the impact of those organisations is curtailed at the very moment that communities across Wales need the inspiration and connection that culture brings for both audiences and participants. Many organisations are embracing change – to work more closely with those most affected by the pandemic, to better reflect Wales and its diversity in our staff, artists, and audiences and to adopt new business models which are environmentally sustainable. This change can only be released over a reasonable period of time, as new people are engaged, funding sources are identified, and organisational design adapts. During this period of change the sector requires ongoing support to embed that change.

Evidence has been provided to the Culture Committee – in its inquiry of 24th November 2021 into the impact of Covid-19. This includes, for example, recognition of the costs of implementing the recently mandated Covid Pass into theatres and cinemas including the need to open venues for longer, with more staff, to service checking of the pass; additional marketing costs; and lost revenues from reduced admissions, cancellations and refunds.

Arts and cultural venues have, throughout this pandemic, gone above and beyond in protecting the public, but will need further time to recover as audiences regain their confidence in attending these spaces.

Investing in growth – the skills agenda

The creative industries are a growth sector that offers the opportunity of high-value jobs. For example, it is notable that, despite the pandemic the UK spend on feature films has remained high at £1.69 billion between July 2020 and June 2021, while spend on high-end TV production has risen from £1.01 billion in 2016-17 to £3.46 billion in 202/21 (BFI 2021). This demand requires fuelling with skilled people and an investment in training to build capacity.

The creative sector utilises a highly diverse range of skills from construction and catering to administration, accountancy, electricians, hair and make-up to writing, design and business management, with demand across all areas of expertise. Meanwhile, the performing arts sector is experiencing a serious shortage of backstage staff including production managers, stage managers and technicians, having seen many leave the sector when venues faced prolonged closure.

Welsh Government's commitment to a skills body in its Programme for Government, as being progressed by Creative Wales, requires financial backup to ensure that growth opportunities and demands needs can be realised. This includes provision for more apprenticeships (including shared apprenticeships); the development and advancement of conversion courses that enable people with transferable skills to move into the sector and continued professional development training.

We stand ready to work with Welsh Government in the development and delivery of its creative skills strategy, including establishing clear pathways through from education. And we are committed to working directly and alongside others to practically fast-track the advancement of a future-facing workforce.

Senedd Finance Committee

Inquiry into the Welsh Government Draft Budget 2022-23

The Bevan Foundation is Wales' most influential think tank and is a registered charity, independent of government. We are grateful for the opportunity to give evidence to the Committee's inquiry. We are responding only to those questions that are relevant to our work.

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

The 2021-22 budget made a significant contribution to easing the worst effects of poverty and inequality during COVID-19. The pandemic brought in a raft of measures designed to compensate people over and above the provisions of the UK Government. The provision of cash in lieu of free school meals at £19.50 a week, plus the provision during the holidays, was a key step in alleviating hardship amongst families, along with the flexibilities introduced into the Discretionary Assistance Fund which enabled more people to get support in a crisis. We also welcomed the Tenancy Hardship Grant, the top ups to Discretionary Housing Payments and the recently announced Winter Fuel Support Scheme.

The self-isolation support scheme and the NHS and social care financial recognition scheme were also an important recognition of the inadequacies of sick pay arrangements and of pay in social care. The support provided to self-employed people provided a lifeline for people who were not eligible for UK Government's schemes.

Last but not least the 2021-22 budget also helped to ensure that essential services such as a skeleton public transport service, plus food and medicines for people who were advised to shield, were available.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Although COVID-19 restrictions have eased, neither the labour market nor wider society have recovered fully. Demand for healthcare services and wellbeing support (both physical and mental) is at a record high. Employment numbers have yet to return to pre-pandemic levels in large areas of Wales and claimant numbers continue to be above February 2020 figures. Many social security benefits have been frozen or reduced while the cost of living, including rents, is also rising sharply. The combination of the legacy of lockdown and current circumstances is creating substantial and additional pressures on households.

The 2022-23 budget should take account of these significant pressures, as well as addressing the root causes of poverty and inequality. As an immediate step we would like to see the Welsh Government focus on ensuring that nobody in Wales is destitute. We endorse the JRF definition of destitution as:

‘... going without the essentials we all need to eat, stay warm and dry, and keep clean.’

We are pleased that the Welsh Government has announced free meals for all children in primary school, and we would like to see the 2022-23 budget include provision for a rapid roll-out of that provision. We also welcome in principle the announcement the expansion of the leasing scheme in the private rental sector.

However there are other areas in which there should be increased budget allocations to ease the immediate pressures on people on low incomes. These include:

- accelerating provision of social housing and capping on social housing rent rises;
- extending Tenancy Hardship Grant to social renters who are not eligible for DHPs;
- continuing additional allocations to the Discretionary Assistance Scheme and Discretionary Housing Payments;
- action to deal with Council Tax arrears;
- increasing the eligibility threshold for and value of Educational Maintenance Allowance and Welsh Government Learning Grant.

Welcome though the Welsh Government's interventions are, they do increase the number of separate schemes to help low-income households. Each scheme has separate administration, variable eligibility requirements and a low public profile which means that people in greatest need may miss out. The Bevan Foundation has been urging for some time that the plethora of devolved grants and allowances should be streamlined, administered as a single system and the value of support increased.¹ The number of new schemes reinforces our case.

The Welsh Government should also use its 2022-23 budget to put in place the building blocks that will reduce poverty in the longer-term. Despite COVID, the root causes of poverty continue to be too few people in decently-paid, secure work; an ineffective welfare system (including devolved grants and allowances); and a high cost of living (especially housing costs). We would like to see specific allocations for progressing fair work through a mixture of regulation and incentives;² a coherent system of devolved grants and allowances that are sufficient to meet needs; and substantial investment in truly affordable social housing and fair rents and security in the private rented sector. These are deep-seated challenges that need a concerted and substantial effort to resolve.

Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

The current timing of the draft budget constrains scrutiny while the scrutiny of supplementary budgets is limited indeed. Changes in Ministerial responsibilities make year on year comparison extremely difficult. The lack of information in the budget narrative on the wider context such as anticipated changes in demand for services make assessment of the adequacy of budget allocations impossible.

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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

- How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The Bevan Foundation researched the impact of the pandemic on the economy and labour market throughout the pandemic with the following key findings:

- The sectors proven to be essential in the pandemic were wider than the 'foundational' economy. They included, for example, manufacturing of goods such as medicines or food

¹ <https://www.bevanfoundation.org/resources/a-welsh-benefits-system/>

² <https://www.bevanfoundation.org/resources/fair-work-what-should-be-done/>

packaging. We concluded that a sectoral approach overlooks the interconnectedness of different parts of modern economies.³

- Sector matters less than individual business behaviour. Many businesses were highly entrepreneurial e.g. developing new goods and services while others simply closed.⁴ Harnessing and supporting innovation in all sectors is key to recovery.
- The geographical impact was very uneven, with areas in Wales with the weakest economies being hardest hit by pandemic restrictions and having the slowest recoveries.⁵
- There has also been a significant labour market impact with many workers – most often people in lower paid jobs - becoming unemployed or on furlough, and some places are yet to bounce back.⁶

Support for economic recovery should therefore be based on a whole economy approach rather than selected sectors, should be coupled with plans and actions to support the recovery of the labour market, and should prioritise intervention in places which have been hardest hit.

- Welsh Government policies to reduce poverty and gender inequality.

Our evidence on Welsh Government policies to reduce poverty are covered in previous sections.

- How the Welsh Government should use taxation powers and borrowing

The Bevan Foundation has argued for greater use of devolved taxation powers since 2016 and in particular has urged the use of new, devolved taxes to change behaviour as well as raise revenues. We are pleased that our proposal for a tourist tax is included in the Cooperation Agreement, and urge the Welsh Government to continue to press its proposed land tax with the UK Treasury.

Given that devolved taxes account for around 20% of the Welsh budget we would like to see more emphasis on the balance being struck between income and expenditure in the Welsh Government's draft budget.

- What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

In our keynote document published before the elections, the Bevan Foundation has urged the Welsh Government to ensure the provision of a good quality, universal essential services that are either free or subsidised at the point of use.⁷ These comprise health and social care, a decent and affordable home, support for the care and development of children, food, and connectivity. It is not enough just to provide these services – they must be delivered in a way that ensures equity of access by different groups of people and to equity of outcome, so that services eradicate inequalities as far as possible.

We have also urged the Welsh Government to use its powers over the economy and labour market more effectively to reduce disparities between different places within Wales and to improve the quality of work amongst the lowest paid and people excluded from the labour market.

³ <https://www.bevanfoundation.org/resources/transforming-wales-building-a-better-economy/>

⁴ <https://www.bevanfoundation.org/resources/making-the-everyday-economy-work-for-smaller-places/>

⁵ <https://www.bevanfoundation.org/resources/where-next-for-the-welsh-economy/>

⁶ <https://www.bevanfoundation.org/resources/coronavirus-and-fair-work/>

⁷ <https://www.bevanfoundation.org/resources/transforming-wales-welsh-public-services-and-benefits/>

Ymateb ACCA i ymgynghoriad Pwyllgor Cyllid y Senedd - Tachwedd 2021

Ynglŷn ag ACCA

ACCA (Cymdeithas y Cyfrifwyr Ardystiedig Siartredig) yw'r corff proffesiynol byd-eang ar gyfer cyfrifwyr proffesiynol.

Rydym yn gymuned fyd-eang ffyniannus o 233,000 o aelodau a 536,000 o aelodau yn y dyfodol wedi'u lleoli mewn 178 o wledydd a rhanbarthau, sy'n gweithio ar draws ystod eang o sectorau a diwydiannau. Yng Nghymru, mae gennym dros 6,000 o aelodau a myfyrwyr yn gweithio ym mhob sector gan gynnwys felcyfrifwyr bersonol, gwasanaethau ariannol, yn y sector gyhoeddus, gweithgynhyrchu a hamdden a lletygarwch. Rydym yn cynnal y gwerthoedd proffesiynol a moesegol uchaf.

Rydym yn cynnig cyfle i bawb ym mhobman brofi gyrfa werth chweil ym maes cyfrifeg, cyllid a rheolaeth. Mae ein cymwysterau a'n cyfleoedd dysgu yn datblygu arweinwyr busnes strategol, gweithwyr proffesiynol blaengar sydd â'r arbenigedd ariannol, busnes a digidol sy'n hanfodol ar gyfer creu sefydliadau cynaliadwy a chymdeithasau llewyrchus.

Ers 1904, mae bod yn rym er budd y cyhoedd wedi cael ei ymgorffori yn [ein pwrpas](#). Credwn fod cyfrifeg yn broffesiwn conglaen i gymdeithas ac mae'n hanfodol helpu economïau, sefydliadau ac unigolion i dyfu a ffynnu. Rydym yn gwneud hyn trwy greu rheolaeth ariannol a busnes ddibynadwy gadarn, brwydro yn erbyn llygredd, sicrhau bod sefydliadau'n cael eu rheoli'n foesegol, gyrru cynaliadwyedd, a darparu cyfleoedd gyrfa gwerth chweil. Trwy ein hymchwil arloesol, rydym yn arwain y proffesiwn trwy ateb cwestiynau heddiw a pharatoi ar gyfer y dyfodol. Rydym yn sefydliad dielw. Darganfyddwch fwy: accaglobal.com

1. Sylwadau Cyffredinol

Yn ystod y pandemig, yn ogystal â'r buddsoddiadau enfawr mewn cefnogi iechyd y cyhoedd, mae Llywodraeth Cymru wedi cefnogi busnesau i oroesi ac adfer, gan gynnwys cymorth busnes brys a buddsoddi mewn sgiliau. Byddem yn annog bod cefnogaeth i fusnesau bach i helpu i yrru'r economi yn ei blaen yn parhau, gan gynnwys cefnogaeth wedi'i thargedu ar gyfer sectorau sydd wedi cael eu heffeithio fwyaf. Rhowch drefn ariannol sefydlog iddynt gyda sicrwydd trwy weddill tymor y Senedd. Rhoi sicrwydd a sefydlogrwydd i fusnesau a fydd yn eu helpu i wella ac i helpu i greu dyfodol tecach, gwyrdd a llewyrchus i Gymru.

Rydym yn croesawu'r gwaith sy'n moderneiddio rôl busnesau mewn cymdeithas trwy'r Cytundeb Economaidd. Mae angen i ffocws parhaus ar annog ymddygiadau pwrpasol mewn busnes a helpu busnesau i ddeall yn well y cyfraniad ehangach y maent yn ei wneud i gymdeithas, wrth gydbwysu anghenion parhaus eu busnesau.

Ochr yn ochr a chefnogaeth i fusnesau bach a chanolig, mae angen buddsoddiad parhaus mewn gwasanaethau cyhoeddus i wella'r amseroedd aros a materion dal i fyny ond hefyd i fuddsoddi mewn materion tymor hirach gan gynnwys arloesi wrth ddarparu gwasanaethau, isadeiledd a datgarboneiddio.

2. Meysydd i'w hystyried yng Nghyllideb Cymru 2022-23

(i) Egwyddorion llunio polisi treth

Mewn adroddiad ACCA ym 2020, [Foundations for a Sound Tax System: Simplicity, Certainty, Stability | ACCA Global](#), nodwyd dair egwyddor hanfodol y dylai fframwaith treth geisio eu cydbwysu: symlrwydd, sicrwydd a sefydlogrwydd. Dylai rhain hefyd weithredu fel meincnodau lle gall llunwyr polisi a'r cyhoedd fesur cynnal a gwella'r system dreth.

Ar gyfer busnesau ac i'r economi ehangach, y mater o sefydlogrwydd sy mwyaf bwysig, yn enwedig i fusnesau sy'n wynebu llifau arian cyfyngedig yn dilyn y pandemig. Bydd busnesau sy'n cynllunio unrhyw fath o fuddsoddiad tymor hir yn llai tebygol o ymrwymo i gamau penodol os yw'r canlyniad ariannol yn ansicr. Mae hyn yn arbennig o bwysig yn y cyd-destun presennol lle mae'r Llywodraeth yn dilyn amcanion strategol i sicrhau adferiad cynaliadwy a chynhwysol a fydd yn gofyn am ryw lefel o fuddsoddiad busnes.

Cred ACCA y gall mwy o ymrwymiad i symlrwydd a gwelliannau strwythurol gwirioneddol i'r system dreth i wella dealltwriaeth trethdalwyr o'r fframwaith treth, yn ei dro, gynhyrchu mwy o dryloywder ac atebolrwydd.

O ystyried y dirwedd benthycu cystdleuol gyfredol, dylid cynnal arfarniad o'r defnydd o fenthycu cyfalaf y Llywodraeth o fewn y terfynau cyfredol I ariannu prosiectau gan gynnwys tai, iechyd, ysgolion, trafndiaeth, trawsnewid digidol a'r sector cyhoeddus, ynghyd ag archwilio'r posibilrwydd o cynyddu'r terfynau benthycu presennol.

(ii) Diwygio Trethi Lleol

Yn dilyn yr adroddiad 'Diwygio Cyllid Llywodraeth Leol yng Nghymru: Crynodeb o'r Canfyddiadau', rydym yn aros am ddiweddariadau ynghylch newidiadau i drethi lleol yng Nghymru yn y dyfodol - fel y nodwyd uchod, yr egwyddorion hanfodol y dylai fframwaith treth geisio eu cydbwysu yw symlrwydd, sicrwydd a sefydlogrwydd. Yn dilyn cyhoeddiad y Canghellor am doriadau mewn cyfraddau busnes ar gyfer y sectorau manwerthu, lletygarwch a hamdden yng Nghymru, dylid ystyried a ellir darparu cymorth ychwanegol i'r sectorau hyn yng Nghymru yn 22-23, o gofio'r heriau parhaus y maent yn eu hwynebu, ac a ellid cefnogi sectorau eraill a effeithiwyd arnynt.

Rydym yn awyddus i ystyried sut y gellir defnyddio'r system gyllidol sydd ar gael yng Nghymru i gefnogi adferiad gwyrdd, ar adeg pan mae llawer o fusnesau bach a chanolig Cymru yn cario baich dyled ôl-bandemig sylweddol. Er y gellir annog busnesau i fuddsoddi

mewn gwelliannau i eiddo sy'n gadarnhaol yn yr hinsawdd, Cred ACCA fod lle i bolisïau i gymell buddsoddiad busnes mewn technoleg net-sero ac uwchraddio adeiladau ynni- effeithlon trwy'r fframwaith cyfraddau. Mae'n hanfodol nad yw buddsoddi mewn addasiadau, megis gosodiadau eiddo ynni effeithlon a allai gynnwys paneli solar, mesuryddion 'smart', inswleiddio thermol neu newid drysau a ffenestri yn newid y gwerth ardrethol yn sylweddol ac yn arwain at godiad ardrethi busnes.

Mae ymgysylltu â'r gymuned fusnes yn hanfodol o ran effaith newidiadau i drethiant ar lefel Cymru, er mwyn sicrhau'r defnydd mwyaf effeithlon o drethi Cymru i gefnogi twf economaidd ac anghenion cymdeithasol wrth beidio â rhoi cwmnïau Cymru dan anfantais gystadleuol (e.e. newidiadau i'r lluosydd).

(iii) Manteisio ar Gyllid ac Ymgorffori Adferiad Gwyrdd

Trwy gydol y pandemig, rydym wedi cynnal arolwg o'n haelodau ynghylch ystod o faterion, gan gynnwys cymorth busnes. Nododd ein harolygon diweddaraf, a nododd ddata gan gyfrifwyr sy'n cynrychioli bron i 7,000 o gleientiaid busnesau bach a chanolig yng Nghymru, fod busnesau bach a chanolig yng Nghymru yn gyffredinol wedi cael elw cryf ar fasnachu gyda lefelau ar y lefelau disgwylid neu'n uwch (er gyda rhywfaint o ostyngiad mewn hyder yn yr arolwg diweddaraf). Fodd bynnag, mae'r pryderion wedi cynnwys manteisio ar gyllid ar gyfer busnesau bach a diffyg gweithredu ar sero net gan fusnesau bach a chanolig.

Bydd cyllid ychwanegol a gyhoeddwyd yn ddiweddar gan Lywodraeth Cymru a hefyd trwy Fanc Busnes Prydain yn helpu busnesau Cymru i gael gafael ar gyllid ychwanegol, ar adeg pan mae rhai busnesau bach a chanolig yn cael anawsterau wrth gael gafael ar gyllid o ffynonellau traddodiadol. Ochr yn ochr â hyn, mae angen parhau â'r gefnogaeth i Fusnes Cymru a Banc Datblygu Cymru, wrth sicrhau dull clir a chydgyssylltiedig i helpu busnesau i gael gafael ar ffynonellau cyllid, a rhoi ystyriaeth i gronfeydd penodol i gefnogi cwmnïau i gefnogi trosglwyddo sero net.

Dyweddod perchnogion busnesau bach yng Nghymru mai'r prif fater sy'n dal busnesau yn ôl rhag gwneud eu gweithrediadau'n fwy cynaliadwy yw diffyg amser a'r adnoddau i weithredu strategaethau amgylcheddol. Dywedodd cynghorwyr proffesiynol hefyd nad yw arweinyddion cwmnïau yn aml yn gwybod ble i ddechrau gyda chynlluniau cynaliadwyedd, yn ogystal â'r ffaith nad yw'r mater yn flaenoriaeth gyfredol i arweinwyr mentrau bach yng Nghymru, oherwydd heriau eraill. Yn yr arolwg, dywedodd cyfrifwyr yng Nghymru mai dim ond 1% o'u gleientiaid Cymru sydd wedi gofyn am gefnogaeth ganddynt ar faterion cynaliadwyedd.

Maes i'w archwilio yw goblygiadau adrodd sero net yng Nghymru i sefydliadau o bob maint ac ym mhob sector. Fel rhan o gynlluniau hinsawdd byd - eang rydym yn disgwyl gweld ehangu monitro ac adrodd ar allyriadau yn y blynyddoedd i ddod, boed hynny yn y sector cyhoeddus, y sector preifat neu'r trydydd sector. Yn gynyddol, bydd hyn yn cael ei wthio i lawr cadwyni cyflenwi (boed yn gyhoeddus neu'n breifat) i fusnesau a sefydliadau llai. Yn ein [hadroddiad diweddar](#), a gyhoeddwyd ar y cyd â'r ICC a Sage, gwnaethom dynnu sylw at yr angen brys i ddechrau symleiddio, symleiddio ac awtomeiddio'r broses hon er mwyn osgoi baich diangen ar fusnesau bach. Galwodd yr adroddiad ar lywodraethau i 'feddwl yn fach yn gyntaf'. Mae'r adroddiad yn canolbwyntio ar lleihau'r rhwystrau ymarferol i fusnesau bach a chanolig ac yn herio busnesau mawr i symleiddio a safoni ceisiadau data busnesau bach sy'n gysylltiedig ag allyriadau, i lunwyr polisi ystyried baich gofynion adrodd a darparu'r adnoddau i fusnesau bach a chanolig fuddsoddi mewn technoleg a all awtomeiddio adrodd.

(iv) Sgiliau a Hyfforddiant

Mae'r cynllun Prentisiaethau yng Nghymru wedi bod yn llwyddiant ond heb unrhyw gyllid i raglenni uwch na'r rhaglen Prentisiaeth Gradd (gyfyngedig ar hyn o bryd) mae perygl na all dysgwyr symud ymlaen a chyflawni eu potensial llawn a bod busnesau'n dioddef yn y tymor hirach. Dylid ystyried cyllido i brentisiaethau Lefel 7 i ddatblygu sgiliau lefel uchel, cefnogi swyddi gwerth uchel ac i gefnogi twf economaidd cynaliadwy trwy well cynhyrchiant,

arloesedd ac entrepreneuriaeth. Mae cyfrifwyr a gweithwyr cyllid proffesiynol wedi chwarae rhan bwysig wrth gefnogi busnesau yn ystod y pandemig covid-19, a gallant chwarae rhan allweddol wrth adeiladu economi Gymreig gryfach a gwyrddach.

Gall timau cyllid helpu eu sefydliadau a'u busnesau, waeth beth fo'u maint neu sector, i gynllunio, mesur ac adrodd ar eu hymdrechion i gyrraedd net-sero. Mewn adroddiad diweddar gan ACCA [Professional accountants at the heart of sustainable organisations | ACCA Global](#) rôl cyfrifwyr fel cynghorwyr dibynadwy, o godi ymwybyddiaeth i gefnogi trawsnewid modelau busnes yn gynaliadwy ac adrodd ar wybodaeth anariannol. Dylai cyfrifwyr gymryd yr awenau a chynorthwyo i wneud newid gwirioneddol, effeithiol wrth wraidd busnesau a sefydliadau ym mhob sector. Fel nodwyd uchod, ein cenhadaeth yw sicrhau bod y proffesiwn cyfrifeg yn rym er budd y cyhoedd. Yn allweddol i hyn yw ein gweithgaredd i gefnogi'r genhedlaeth nesaf o weithwyr cyllid proffesiynol yng Nghymru trwy sicrhau llwybrau agored i'r proffesiwn.

Mae buddsoddi i wella cyfeiriadu at gyfleoedd hyfforddi ac ariannu ar bob lefel yn hanfodol i sicrhau bod busnesau, a'r rhai sy'n edrych i ddechrau eu gyrfaeod, uwchsgilio neu ailsgilio yn gallu cyrchu cyfleoedd a chyllid. Mae gwaith Gyrfaedd Cymru a Working Wales a rhaglenni fel ReAct a Chyfrifon Dysgu Personol (PLA) yn hanfodol yn y maes hwn. Croesewir y cyhoeddiad diweddar am gefnogaeth ychwanegol i'r cynllun PLA, ond mae'n hanfodol sicrhau bod y fenter yn hygyrch, yn ddealladwy ac yn ceisio datrys yr holl anghenion (a lefelau) sgiliau. Datblygiad arall fyddai cyllido fyddai gwerth dysgu modiwlaidd achrededig, maint brathiad, yn enwedig nawr bod arferion gwaith wedi dod yn fwy hyblyg a bod unigolion yn fwy cyfforddus gyda dysgu a datblygu rhithwir. Bydd cynnig ystod ehangach o opsiynau hyfforddi hygyrch y tu hwnt i ddulliau traddodiadol, megis prentisiaethau neu raddau, yn allweddol i roi hwb i'r ailsgilio a'r uwchsgilio y mae angen i ni eu gweld ar draws ein gweithlu presennol.

Am fwy o wybodaeth cysylltwch â:

Lloyd Powell, ACCA Cymru / Wales



ACCA response to Senedd Finance Committee consultation – November 2021

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of 233,000 members and 536,000 future members based in 178 countries and regions, who work across a wide range of sectors and industries. In Wales, we have over 6,000 members and students working across a range of sectors including in practice, in the public sector, financial services, manufacturing and leisure and hospitality. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in [our purpose](#). We believe that accountancy is a cornerstone profession of society and is vital helping economies, organisations and individuals to grow and prosper. We do this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

Through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation. Find out more at

accaglobal.com

1. General Comments

During the pandemic, as well as the huge investments in supporting public health, the Welsh Government has supported businesses to survive and recover, including emergency business support and investing in skills. We would urge that support for small businesses to help drive the economy forward continues, including targeted support for sectors that have been most affected. Provide them with certainty with a stable fiscal regime through the remainder of the Senedd term. Provide businesses with the certainty and stability that will help them recover and to help create a fairer, greener and prosperous future for Wales.

We welcome the work modernising the role of businesses in society through the Economic Contract. Continued focus is needed on encouraging purpose-driven behaviours in business and helping businesses better understand the broader contribution they make to society, whilst balancing the on-going needs of their businesses.

Alongside support for SMEs, continued investment in public services is required to address waiting times and immediate post covid catch up issues but also to invest in longer term issues including innovation in service delivery, infrastructure and decarbonisation.

2. Areas for consideration within the Welsh Budget 2022-23

(i) Principles for tax policymaking

ACCA's 2020 report [Foundations for a Sound Tax System: Simplicity, Certainty, Stability](#) | [ACCA Global](#) identified three essential principles which a tax framework should strive to balance: simplicity, certainty and stability. These should also act as the benchmarks by which policymakers and public can measure the maintenance and improvement of a tax system.

For businesses and for the wider economy, the issue of stability is most urgent, particularly for businesses facing restricted cashflows in the aftermath of the pandemic. Businesses planning any kind of long-term investment will be less likely to commit to a particular course

of action if the financial outcome is uncertain. This particularly important in the current context where the Government is pursuing strategic objectives to deliver a sustainable and inclusive recovery that will require some level of business investment.

ACCA believes that a greater commitment to simplicity and genuine structural improvements to the tax system to improve taxpayer understanding of the tax framework, can in turn, produce greater transparency and accountability.

Given the current competitive lending landscape, there should be an appraisal of the use of the Government's capital borrowing within the current limits, to fund projects including housing, health, schools, transport, digital and public sector transformation, as well as exploring the possibility of increasing the existing borrowing limits.

(ii) Reform of Local Taxation

Following the report 'Reforming Local Government Finance in Wales: Summary of Findings', we await updates regarding future changes to local taxation in Wales – as noted above, the essential principles which a tax framework should strive to balance are simplicity, certainty and stability. Following the Chancellor's announcement of cuts in business rates for the retail, hospitality and leisure sectors in England, consideration should be given to whether additional support can be provided to these sectors in Wales in 22-23, given the on-going challenges they are facing, and whether other affected sectors could be supported.

We are keen to consider how the available fiscal levers in Wales can be used to embed a green recovery, at a time when many Welsh SMES are carrying a significant post-pandemic debt burden. While businesses may be encouraged to invest in climate positive property improvements, ACCA believes there is scope to better align policies to incentivise business investment in net-zero technology and energy efficient building upgrades through the rates framework. It is vital that investment in adaptations, such as energy efficient property fit-outs which could include solar panelling, smart meters, thermal insulation or replacement of

doors and windows does not materially alter the rateable value and result in a business rates uplift.

Engagement with the business community is essential regarding the impact of changes to taxation at a Welsh level, to ensure the most efficient use of Welsh taxes to support economic growth and social needs whilst not putting Welsh firms at a competitive disadvantage (e.g. changes to the multiplier).

(iii) Access to Finance & Embedding Green Recovery

Throughout the pandemic, we have surveyed our members regarding a range of issues, including business support. Our most recent surveys, which reported data from accountants representing nearly 7,000 SME clients in Wales, indicated that SMEs in Wales have generally had a strong return to trading with levels at or above expected levels (albeit with some decline in confidence in the most recent survey). However, areas of concern have included access to finance for small businesses and lack of action on net zero by SMEs.

Additional funding announced recently by the Welsh Government and also via the British Business Bank will help Welsh businesses to access additional funding, at a time when some SMEs are experiencing difficulties in accessing finance from traditional sources. Alongside this, the support for Business Wales and the Development Bank for Wales needs to be continued, whilst ensuring a clear and joined up approach to help businesses access sources of funding, and consideration given to specific funds to support firms to support net zero transition.

Small business owners in Wales said the number one issue holding businesses back from making their operations more sustainable is lack of time and the resources to implement environmental strategies. Professional advisers also highlighted that leadership often don't know where to start with sustainability plans, as well as the fact that the issue is not a current priority for the leaders of small enterprises in Wales, due to other immediate challenges.

Mirroring these barriers, accountants in Wales reported that just 1% of Welsh clients have requested support from them on sustainability issues.

An area to explore is the implications of net zero reporting in Wales for organisations of all sizes and in all sectors. As part of global climate plans we expect to see an expansion of monitoring and reporting on emissions in coming years, whether in the public, private or third sectors. Increasingly, this will be pushed down supply chains (whether public or private) to smaller businesses and organisations. In our [recent report](#), published jointly with the ICC and Sage, we highlighted the urgent need to begin to streamline, simplify and automate this process to avoid an unnecessary burden on small businesses. The report called on governments to 'think small first'. The report focuses on breaking down practical barriers for SMEs and challenges large businesses to simplify and standardise the emissions related data requests of small businesses, for policy makers to consider the burden of reporting requirements and to provide the right incentives for SMEs to invest in technology that can automate reporting.

(iv) Skills and Training

The Apprenticeship scheme in Wales has been a success but with no funding beyond the (limited at present) Degree Apprenticeship programme there is a danger that learners are unable to progress and meet their full potential and that businesses suffer in the longer term. Consideration should be given to funding Level 7 Apprenticeships to develop high level skills, support high value jobs and to support sustainable economic growth through improved productivity, innovation and entrepreneurship. Accountants and finance professionals have played an important role in supporting businesses during the covid-19 pandemic, and can play a key role in building a stronger, greener Welsh economy.

Finance teams can help their organisations and businesses, regardless of size or sector, to plan, measure and report on their efforts to reach net-zero. A recent ACCA report

[Professional accountants at the heart of sustainable organisations | ACCA Global](#)

highlighted accountants' role as trusted advisers, from raising awareness to supporting sustainable transformation of business models and reporting on non-financial information. Accountants should take the lead and assist in making real, effective change at the heart of businesses and organisations in all sectors. As highlighted above, at our core is our mission to ensure the accountancy profession is a force for public good. Key to this is our activity to support the next generation of finance professionals in Wales by ensuring accessible routes into the profession.

Investment to improve the signposting of training and funding opportunities at all levels is essential to ensure that businesses, and those looking to begin their careers, upskill or reskill can access opportunities and funding. The work of Careers Wales and Working Wales and of programmes such as ReAct and Personal Learning Accounts is vital in this area. The recent announcement of additional support for PLAs is welcome, but ensuring that the initiative is accessible, well-understood and meets all skills needs (and levels) is essential. A further development would be the funding of would be the value of accredited, bite-sized modular learning, particularly now that working practices have become more flexible and individuals are more comfortable with virtual learning and development. Offering a broader range of accessible training options beyond traditional approaches, such as apprenticeships or degrees, is going to be key to boosting the reskilling and upskilling we need to see across our current workforce.

For more information please contact/Am fwy o wybodaeth, cysylltwch a:

Lloyd Powell, ACCA Cymru/Wales





3 Rhagfyr 2021

Y Clerc
Pwyllgor Cyllid
Senedd Cymru

Annwyl Glerc

PAR: GALWAD AM WYBODAETH GAN Y PWYLLGOR CYLLID

Diolch yn fawr am y gwahoddiad i gyflwyno sylwadau ynghylch Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2022-23.

Mae TAC eisoes wedi ymateb i ymgynghoriad y Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol ar flaenoriaethau'r Chweched Senedd. Mae TAC hefyd wedi cyfrannu tuag at ddwy sesiwn dystiolaeth gan y Pwyllgor Diwylliant sef:

- Sesiwn i drafod dyfodol cyfryngau gwasanaeth cyhoeddus ar 13 Hydref 2021
- Ymchwiliad undydd i'r diwydiannau celfyddydau a chreadigol ar 24 Tachwedd 2021

Mae hyn wedi bod yn gyfle gwerthfawr i TAC drafod a chyflwyno sylwadau ar nifer o faterion gan gynnwys agweddau sy'n berthnasol i'r gyllideb.

Heb os, gwnaeth y cymorth ariannol drwy gyllideb 2021-22 a chyllid sy'n gysylltiedig â Covid-19 helpu i achub a sefydlogi cwmnïau cynhyrchu annibynnol. Fe ddefnyddiodd nifer o aelodau TAC becynnu cymorth Llywodraeth y DU a Llywodraeth Cymru ar gyfer busnesau gan gynnwys: Cynllun Benthyciadau Tarfu ar Fusnes (CBILS), Cynllun Cadw Swyddi (ffyrlo), benthyciadau Bounce Back, Cynllun Gohirio TAW, Rhyddhad Ardrethi Busnes, Cronfa Datblygu Digidol Brys a Chronfa Teledu Brys Cymru Greadigol, Cronfa Cadernid Economaidd a grant Busnesau Bach.

Wrth flaenoriaethu ar gyfer 2022-23 ac ymateb i Covid-19, mae'n rhaid canolbwyntio ar ofalu bod y sector creadigol yn medru ail gydio'n ddiogel yn y gwaith ac yn medru cyflogi talentau newydd. Byddai nawdd uniongyrchol tuag at brosiectau aml-gyfrwng (digwyddiadau byw, llwyfan, teledu a ffilm) a chymorth grantiau tuag at gynyrchiadau mewn gwahanol leoliadau o fudd mawr i'r economi leol.

Wrth baratoi a chynllunio'n ariannol ar gyfer 2022-23, rhaid cofio nad oes gan rai cwmnïau cynhyrchu annibynnol mwy newydd yn y sector creadigol gyfresi hirhoedlog ac yn gyffredinol maent yn ddibynnol ar ennill gwaith drwy dendr. Gall hyn yn aml (gan gynnwys cyn Covid) achosi ansefydlogrwydd. Er mai dyna natur y diwydiant i ryw raddau, byddai cymorth ymarferol mewn hyfforddiant a mentora wrth dendro am waith yn fuddiol ac mae angen hyrwyddo cydweithio pellach ar draws y sector.

Mae'n hanfodol sicrhau tryloywder a system craffu deg ymhob rhan o'r broses wrth lunio cyllideb. Mae angen sicrhau systemau rheoli risg manwl, dylai unrhyw gyfleodd i dendro ar gyfer prosiectau asiantaethau cyhoeddus fod yn glir ac yn ymarferol gydag amserlen deg a chyraeddadwy.

Mae'r diwydiannau creadigol yn ganolog i gyfnod yr adferiad sydd o'n blaenau, yn economaidd ac yn gymdeithasol. Mae angen sicrwydd ar y diwydiant darlledu y bydd cymorth ariannol ac adnoddau yn cael eu targedu'n briodol tuag at anghenion y sector gyda digon o hyblygrwydd o fewn y broses.

Mae materion amgylcheddol yn gynyddol bwysig i aelodau TAC wrth i'r gwaith cynhyrchu gynyddu i lefelau cyn Covid-19 unwaith eto. Rhaid i liniaru newid yn yr hinsawdd fod yn ganolog wrth gefnogi adferiad economaidd, ac mae S4C yn gweithio gyda'r sector cynhyrchu i gyflwyno'r cynllun cynhyrchu cynaliadwy 'albert' yn ei drefn gomisiynu.

Mae gan bob sector – gan gynnwys y sector creadigol – rôl flaenllaw i'w chwarae wrth ddatblygu polisi i leihau tloedi ac anghydraddoldeb rhwng y rhywiau. Mae bod yn gynhwysol gan apelio at weithlu newydd o wahanol gefndiroedd yn eithriadol o bwysig - mae ein rhaglen hyfforddi gyda S4C yn cynorthwyo i wneud hyn yn ein sector.

Mae pob croeso i chi gysylltu â mi os ydych angen unrhyw wybodaeth neu sylwadau pellach.

Yn gywir iawn



Dyfrig Davies
Cadeirydd TAC



3 December 2021

The Clerk
Finance Committee
Senedd Cymru

Dear Clerk

RE: A CALL FOR INFORMATION FROM THE FINANCE COMMITTEE

Thank you for the invitation to present views on Welsh Government Draft Budget proposals for 2022-23.

TAC has already responded to the Culture, Communications, Welsh Language, Sport, and International Relations Committee's consultation on the priorities for the Sixth Senedd. TAC has also contributed to two evidence sessions from the CCWSI Committee:

- Session to discuss the future of public service media on 13 October 2021
- One day inquiry into the arts and creative industries on 24 November 2021

This has been a valuable opportunity for TAC to discuss and present views on a number of issues including aspects relevant to the budget.

The financial support through the 2021-22 budget and Covid-19 related funding undoubtedly helped to save and stabilise independent production companies. A range of TAC members used UK and Welsh Government support for businesses including the Business Disruption Loan Scheme (CBILS), Job Retention Scheme (furlough), Bounce Back loans, VAT Deferral Scheme, Business Rate Relief, Emergency Digital Development Funds and Creative Wales Emergency Television Funds, Economic Resilience Fund and Small Business Grant.

In prioritising for 2022-23 and responding to Covid-19, the focus must be on ensuring that the creative sector can return to work safely and is able to employ new talent. Direct funding towards multi-media projects (live events, stage, television and film) and grant support towards productions in various locations would be of great benefit to the local economy.

In preparing and planning financially for 2022-23, it must be remembered that some newer independent production companies in the creative sector don't have long-running series and are generally dependent on winning work through tender. This can often (including pre-Covid) cause instability. While that is to some extent the nature of the industry, practical support in training and

mentoring in tendering for work would be beneficial and further collaboration across the sector needs to be promoted.

It is vital to ensure transparency and a fair system of scrutiny throughout the budget-making process. Detailed risk management systems need to be ensured, any opportunities for tender for public agency projects should be clear and practical with a fair and achievable timetable.

The creative industries are central to the recovery period ahead, both economically and socially. The broadcasting industry needs assurance that financial support and resources will be properly targeted towards the needs of the sector with sufficient flexibility within the process.

Environmental issues are increasingly important to TAC members as production increases to pre-Covid-19 levels again. Mitigating climate change must be central in supporting economic recovery, and S4C is working with the production sector to introduce the 'albert' sustainable production scheme into its commissioning regime.

All sectors – including the creative sector – have a prominent role to play in developing policy to reduce poverty and gender inequality. Being inclusive and appealing to a new workforce from different backgrounds is extremely important – our training programme with S4C is helping to do this in our sector.

Please do not hesitate to contact me if you require any further information or comments.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dyfrig Davies". The signature is written in a cursive style and is positioned above the printed name.

Dyfrig Davies
TAC Chair

3 December 2021

Dear Finance Committee members,

Thank you for the opportunity to respond to the consultation on Welsh Government's Draft Budget 2022/23.

The Arts Council of Wales was established by Royal Charter in 1994. We're a Welsh Government Sponsored Body funded largely by grant-in-aid from the Welsh Government. We're also a registered charity subject to Charity Law and one of the four Distributors in Wales of money to "Good Causes" from the National Lottery.

In 2021/22 the Arts Council received 'core' funding of **£32.4m** from the Welsh Government which supports a portfolio of companies through core funding. We also distribute near **£17m** of National Lottery grants for small and large projects to companies and individual creative practitioners.

Our mission is to make the arts central to the lives and well-being of the people of Wales. Our Corporate Plan, "For the Benefit of All" sets out three priorities which underpin all aspects of its work:

- i. Promoting Equalities as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales.
- ii. Strengthening the Capability and Resilience of the sector, enabling creative talent to thrive.
- iii. Enabling the Arts Council to work more effectively, collaborating more imaginatively with like-minded partners across Wales.

The planning, delivery and monitoring of the Arts Council's activities are undertaken within the framework of the Wellbeing of Future Generations legislation and the Welsh Government's Programme for Government and our responses to this consultation reflect this and our role as a major funder of the arts in Wales.

We welcome Welsh Government commitment to a new culture strategy that prioritises the financial sustainability of cultural institutions. This will be key to the implementation of a strategy that wants to reflect Wales' diversity, a thriving Welsh language, the arts, culture and heritage sectors. We look forward to working closely with Welsh Government, and the Senedd's scrutiny committees to deliver this ambition.

We appreciate that this draft budget consultation is in the context of unprecedented challenges. Covid-19, EU Exit and climate emergency have all exacerbated social injustices.

The arts have proven, during the pandemic, their worth for the wellbeing of individuals and communities in Wales. We are committed to working with Welsh Government to support a green recovery of the arts and a sustainable cultural sector during and after the pandemic.

The full impact on the arts and on public finances of EU exit is yet to be realised, especially in terms of the replacement funding for the Structural Funds and Creative Europe as well as the cost associated with the new barriers on the movement of creative workers and art works. We will continue to nurture cultural relations that support our arts sector to engage sustainably in Europe and internationally in partnership with our sister agencies in the UK four nations and in Ireland which supports the hugely important creative economy of Wales and the UK.

1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

Arts organisations and creative individuals have been adversely affected by the Covid-19 pandemic, some quite significantly. It's now clear that the arts will be one of the last sectors to re-emerge fully from 'lockdown', social distancing restrictions and those on domestic and international touring.

Our sector is largely made up of charities, community interest companies, social enterprises, and freelancers. Charitable organisations and individual creatives generally carry no sizeable reserves and, even when operating in normal circumstances, do not set out to make large profits. Any profit that is made is generally re-invested back into enhancing delivery and extending the impact of arts programmes. The sector is a key employer for Wales and not only culture, but significant economic activity in Wales.

At the start of the pandemic existing funds were re-purposed to provide urgent financial support. We worked closely with Welsh Government to deliver two rounds of Cultural Recovery Fund emergency support. So far, the Arts Council has distributed over **£30m** of Covid-related emergency support through:

- Urgent Response Fund for Individuals
- Stabilisation Fund for Organisations
- Stabilisation Fund for Individuals
- Cultural Recovery Fund 1 and 2 for Organisations (Revenue)
- Cultural Recovery Fund 1 for Organisations (Capital)

The Cultural Recovery Fund was fundamental to the survival of the sector and without its support a number of high-profile organisations and companies based in Wales could not have survived.

2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

The Cultural Recovery Fund has been a lifeline for arts organisations, artists and freelancers. Without it, it is likely that a large number of organisations nor freelance creative practitioners would not be operating today. Indeed many have left the sector.

Current difficulties are exacerbated for those arts organisations (venues in particular) who rely heavily on earned income from ticket sales, hires, shops and cafes for their fixed costs. In pre-pandemic life, this was prioritised as it reduced reliance on public funding. We applauded organisations like Chapter, Galeri in Caernarfon and Wales Millennium Centre for their success in operating with a low dependency on public funding. But with around 80% of their income coming from commercial activities, an otherwise stable business model has become more fragile.

Venues and companies face new pressures since the end of UK Government's Furlough scheme in September. Organisations now need to look at how they either increase their income levels back to pre-pandemic levels or reduce costs in order to balance the books. Social distancing, the threat of new variants on public confidence, limited audience numbers and difficult recruitment are new challenges that the sector faces. The introduction of Covid-passports for some organisations will bear an additional cost burden. Further restrictions should be supported by further investment.

Artists not institutions create art. Freelance artists and creators are the ultimate "gig workers", moving from project to project to find the next pay-cheque. They do so without the protections routinely enjoyed by employees. Most creative freelancers have had 100% of their work cancelled. They're without income and without promise of work. And they're less likely to have savings to fall back on.

As the industry recovers after Covid-19, safeguards will be required to ensure that public funding for the arts organisations benefits the freelance workforce. All those involved in the arts must pull together to protect the precarious freelance workforce as recovery begins to take root. If we don't, we risk the diversity and success of the wider arts and creative industries.

Continual support into 2022-23 will be needed to ensure that the sector can thrive, contributing to the economy but also encouraging a rich cultural offering for a healthier, greener Wales that is globally connected. Real strategic investment is needed to ensure a sustainable and equitable recovery.

Areas of Wales blighted by poverty and economic disadvantage have been harshly affected by Covid-19. In 2021, Arts Council of Wales set out to "Re-set the Dial". The disproportionate impact of the Covid-19 virus on diverse communities and disabled people has been stark. We said *"A generous, fair-minded and tolerant society is instinctively inclusive. It values and respects the creativity of all its citizens. If we want Wales to be fair, prosperous and confident, improving the quality of life of people in all of its communities, then we must make the choices that enable this to happen. The arts help us to understand difference. They help us to express what's distinctive and singular, but also what unites and binds us together, helping us to explore and articulate our common humanity, our place in the world. Diversity strengthens and invigorates the arts."*

3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The one-year funding settlement causes significant uncertainty each year and make strategic decisions very difficult.

For the past two years, our budget have been confirmed 3 months before the start of the financial year. This not only affects our ability to plan but also makes it difficult for the entire sector that we fund to plan in a sustainable way.

We, like the sector we help to sustain, have inflationary and pay cost pressures that we are unable to address without knowing our budget beyond the operational year. The inability to plan affects the freelancing back bone of the arts and the creative economy.

A long-standing Arts Council priority is to develop and support the Arts Portfolio Wales; a nation-wide network of high-quality arts organisations. The Arts Council directs a significant proportion of the grant-in-aid it receives from the Welsh Government (**£27.08m**) to providing 'core' revenue funding to these 67 key organisations. They play a leading role in the delivery of the strategic priorities of the Arts Council and the Welsh Government.

The portfolio is renewed every five years through an open-to-application process called the Arts Investment Review. The next review begins in Autumn 2022, with funding arrangement for a new Portfolio coming into effect from April 2024.

Budget insecurity and fluctuation not only affects Arts Council's inability as the nation's leading grant giving organisation, but also has huge knock-on implications to significant, high-profile organisations in Wales. A list of the current portfolio is attached all of whom are affected, to varying degrees, by the current budget timetable.

The Investment Review is an opportunity to re-set the dial.

We would welcome a move towards a long term approach that would enable us and the companies we fund to plan strategically. We appreciate the opportunity to comment on the draft budget, and hope that there will be a move to multi-annual funding agreements will come from this process.

4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?

No, we agree with the level of scrutiny.

5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?

We support budgetary increases to Wales.

6. 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 any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The arts sector is a significant cultural and economic resource to the people of Wales and should be prioritised.

Confidence across the sector and with the public is beginning to return as restrictions lift, but the financial risks impacting on the sector remains a real and continuing concern. Further restrictions this winter will significantly impact the arts once again.

As theatres, arts centres, galleries and festivals are re-opening, continued uncertainty around further restrictions are challenging audience confidence and numbers. Return and recovery will depend in large part on the policies that Welsh Government and UK Government take and the further impact of further restrictions on the economy. A serious programme of investment to stimulate the UK out of recession would prompt a dynamic response from the arts and would encourage creativity and innovation. The alternative route, saving our way out of debt, will create a slower, more cautious environment with a high risk that organisations struggle to sustain their activities on a financially viable basis.

Risk is exacerbated because of uncertainties around the possibility of future “lockdowns” and their impact on income. Most organisations plan their programmes years in advance and have to make contractual commitments. Normally, insurance is a route to mitigate the impact of unforeseen issues, but Covid has changed this. The sector has repeatedly called for some form of government-backed insurance scheme to provide a vital financial safety net, should it be needed. Progress on this is urgently needed.

The imminent investment Review will no doubt lead to changes in our portfolio investments that supports a diverse and bilingual Wales. Equalities and widening engagement in the arts across Wales will continue to be a priority. We have extended our “Creative Steps” programme to provide new funds for the development of the skills and capability of new creative talent amongst Deaf and Disabled artists and artists from Black Asian Minority Ethnic backgrounds and artists of colour.

Our international team Wales Arts International is leading the UK Four Nations’ Arts Info Point initiative to help mitigate the negative impact of new barriers to European mobility on the sector. In collaboration with international networks, we are re-setting our approach to international work. At a time of a climate emergency the National funding body for the Arts has a duty to develop our own carbon zero plans and also to apply our commitment to our wellbeing goals as a globally responsible nation.

7. To what extent alleviating climate change should be prioritised in supporting economic recovery.

"Culture is a powerful tool for fighting climate change," the Future Generations Commissioner for Wales Sophie Howe speaking at COP26.

We see a real need for strategic investment in this area and think this is a real opportunity to invest in climate emergency potential of the arts that have social and economic benefits.

We are looking to develop a carbon management model similar to the Creative Carbon Scotland model that provides a scaffolding approach for the arts to manage its carbon reduction plan. This would allow us to meet our obligations to Welsh Government's Net Zero carbon Budget Plan and would include a sector wide strategy and a carbon management plan and scaffolding as well as a 10-year action plan for carbon reduction for Arts Council of Wales. Our sister agency in Scotland, Creative Scotland, is launching its 10 year Carbon Net Zero Plan in January 2022. The Wales model will be of course in the framework of the Wellbeing of Future Generations Act.

A catalyst internal agency within Arts Council in the first instance to prepare the strategy and develop support structures transferable for a one Wales public sector model. Resources will be shared with the sector as well and the model will be developed with partners like the Future Generations Commissioner and also Creative Wales as part of the Cultural Contract for public funding.

We would need additional investment from Welsh Government to support this initiative. This investment would enable us to ensure that we are helping to promote Wales as leading innovative nation when it comes to wellbeing.

8. How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education.

Welsh Government policies to reduce poverty and gender inequality.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

As an organisation, we work collaboratively across the public sector and the benefit this brings deserve to be recognised. Not all Health and Education activities occur in isolation in their portfolios and our work in this area achieves a number of the objectives set out in this consultation. Often, spending money in the arts is a more efficient and innovative way of dealing with some of the problems in Health and Education.

For example, two key such initiatives that we would be our Creative Learning Through the Arts and our Arts and Health programmes.

Our [Creative Learning through the Arts](#) scheme uses the arts to support subjects as varied as maths, science, numeracy and citizenship in schools.

In 20/21, in response to a request from Welsh Government we developed a Creative Learning Recovery Fund that assisted learners to re-engage with their learning following the pandemic.

- We launched Cynefin: Black, Asian and minority ethnic Wales. We received a total of **61 applications**. **25 schools** have been awarded a grant and a further **18 schools** will join us from the autumn term onwards.

- Training is now complete for Creative Agents, School Coordinators and Creative Practitioners and all **84 Lead Creative Schools projects** are underway.
- Awarded **19 applications** to our enhanced offer for secondary schools.

Our Arts and Health programme focuses on the power of the arts for health and wellbeing and recognises that artists and clinicians working together can make a huge difference as it is great example of a preventative scheme, worthy of additional investment to ‘save’ additional cost in the NHS, particularly around mental health, isolation and loneliness.

In 20/21 we:

- Established and supported specialist arts co-ordinator posts in each Health Board.
- Continued to promote the benefit of arts in health as part of the Confederation’s Cross Party Group meetings held online throughout the year.
- Managed the set-up of the Health, Arts, Research, People (HARP) funding programme.
- Implemented the Seed Fund (for Research and Development) – this selected 4 Health challenges to which **54 artists/arts organisations** responded, applying to be creative partners.
- Implemented the Nourish Fund (for large grants) with **20 expressions of interest** now progressing towards submitting a full application.
- Developed Cultural Cwtch – a website of creative resources to support NHS and social care staff’s well-being throughout the pandemic and beyond.
- Developed a new Arts, Health and Well-being Lottery Fund for launch in the new financial year.
- Launched NHS Decides

Our other key focus is inequality and widening access for all and we need a real commitment in future budgets to drive this work and make real change in Wales. We have publicly recognised that, through all of our activity and work programmes, we are not currently reaching widely and deeply enough and are not representing all of the communities and groups in Wales, particularly those who are ethnically and culturally diverse, D/deaf, disabled or neurodivergent or regarded as potentially disadvantaged through poverty, language or geographical location. We are actively working to address this imbalance and have taken positive steps to progress this including:

- Strategic Equality Committee reporting directly to Council, working alongside Future Generations and Welsh language Committees
- Appointment of Agent for Change
- Widening Engagement Programme
- Active member of the Public Sector Equality Group
- Publication of annual Strategic Equality Committee report and Strategic Equality Action Plan

Thank you for the opportunity to feed into this process. If you would like to ask any further questions, please do not hesitate to contact me.

Kind regards,



Rebecca Nelson
Acting Accounting Officer – Arts Council of Wales

