

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2024-25](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2024-25](#).

WGDB_24-25 43: Ymateb gan: Oxfam Cymru (Saesneg yn unig) | Response from: Oxfam Cymru (English Only)



Oxfam Cymru's response to the Senedd Finance Committee's inquiry into [Welsh Government Draft Budget 2024-25](#) and the extent to which childcare providers, schools and local authorities meet their duties under the Equality Act 2010.



Correspondence

Dr Hade Turkmen (Author)
Policy and Communication Adviser
Email: [REDACTED]

Sarah Rees
Head of Oxfam Cymru
Email: [REDACTED]

RESPONSE FROM OXFAM CYMRU

November 2023

1. Oxfam Cymru's Standpoint

1.1. Wales is currently grappling with a confluence of significant challenges, creating a complex financial landscape. Recent developments, including the impact of Brexit, the global COVID-19 pandemic, a surge in inflation, and the escalating cost of living, have collectively intensified the financial strain faced by the nation. These challenges are further compounded by the disagreements between the UK and the Welsh Government on the distribution of financial resources, contributing to the severity of the economic issues confronting Wales.¹ The Welsh Government announced an up to £900 million budget deficit named the toughest financial situation Wales have faced since devolution.²

1.2. The convoluted nature of these challenges and the unique needs of Welsh households and society to cope with the current financial challenges necessitate a comprehensive and targeted approach to address the immediate concerns and foster long-term economic resilience in the country. Oxfam Cymru strongly advocates for placing a caring and green economy at the heart of the Welsh Government's strategic economic decisions. This perspective is rooted in the belief that economic policies should extend beyond tackling immediate financial challenges, striving instead to foster the well-being of people and the planet, aligning with the seven well-being goals outlined in the Future Generations Act. Oxfam Cymru emphasises the interconnectedness of economic prosperity, social equity, equality, and environmental sustainability.

¹ <https://www.bbc.co.uk/news/uk-wales-politics-66438471>

² Welsh Government Written Statement: Update about Budget 2023-24, 9 August 2023, <https://www.gov.wales/written-statement-update-about-budget-2023-24>

2. What actions should the Welsh Government take to help households cope with inflation and cost of living issues?

2.1. The Welsh Government can take immediate actions across various fronts, including:

- alleviating the financial strain associated with childcare,
- recognising the value of unpaid care and labour
- providing assistance with energy and utility expenses³,
- reducing public transport costs,
- offering targeted tax relief—especially with respect to council tax
- expanding existing Welsh benefits⁴.

2.2. Emphasising investment in the care economy and implementing measures to mitigate immediate household costs will benefit all households, with a particularly positive impact on those in low-income households and those with caring responsibilities. Below, we will detail our approach to the basis of the care economy by looking at evidence from childcare and unpaid care.

2.3. *Childcare*

2.3.1. Childcare is a critical pillar within the infrastructure of a thriving society. It is an essential requirement for the economic prosperity of families and early learning experiences that profoundly shape children’s development. Without adequate access to childcare, there are significant risks to workforce diversity, economic growth and gender equality. A lack of accessible childcare significantly impacts families, particularly women, blocking parental access to the workforce and perpetuating cycles of poverty and social inequality.

2.3.2. Childcare expenses remain a significant burden on households, with average costs surpassing the average income. The Coram’s Childcare Survey of 2023 indicates that nursery services for children under three in Wales saw a rise of 2.8% in comparison to the previous year.⁵ The survey reveals that the average fee for part-time nursery care (25 hours per week) is £135, whereas full-time nursery care (50 hours per week) averages £250 per week. This means that the annual average cost of part-time nursery is £7,020, while full-time nursery care costs £13,000.

³ Our partner organisation Climate Cymru’s campaign Warmer This Winter Wales provides a comprehensive approach on how to tackle rising energy costs. <https://climate.cymru/warm-this-winter/#:~:text=There%20is%20an%20escalating%20cost,are%20making%20them%20all%20worse.>

⁴ We suggest that Welsh Government should improve the Welsh Benefit System by adopting a uniform approach to make it more accessible, as recommended by the Bevan Foundation’s research. Bevan Foundation, April 2023, A common approach to Welsh benefits: Feasibility Study. <https://www.bevanfoundation.org/wp-content/uploads/2023/04/Final-A-data-view-of-a-common-approach-to-Welsh-benefits-Bevan.pdf>

⁵ Coram Family and Childcare Trust (2023), Childcare Survey 2023, https://www.coram.org.uk/wp-content/uploads/2023/07/Childcare-Survey-2023_Coram-Family-and-Childcare.pdf

- 2.3.3. Furthermore, in 2022, the median gross annual salary for full-time male workers was £32,229 (approximately £26,000 take-home salary), and for female full-time workers, it was £28,257 (approximately £23,250 take-home salary),⁶ making the cost of average nursery fees more than half of the take-home salary of full-time workers.
- 2.3.4. Childcare costs are closely intertwined with the issue of poverty, creating a significant barrier for low-income families. The connection between childcare and poverty becomes more apparent when considering intersecting factors. In Wales, couples with children faced a lower but still significant risk, with 22% of them at risk of relative income poverty.⁷ As in previous years, in 2022, single parents (86% of them are women)⁸ faced the highest risk of relative income poverty, with 38% compared to other household compositions.⁹ There is also strong evidence of the relation between other protected characteristics, such as ethnicity and disability, and poverty.
- 2.3.5. Oxfam Cymru's research into childcare in Wales¹⁰ provides critical evidence on the impact of childcare on family finances and parents/guardians' participation in the workforce:
- 92% (306 out of 334) stated that childcare costs are undeniably high relative to their income levels.
 - 53% (178 out of 334) stated that paid employment becomes financially impractical once childcare expenses are considered.
 - 43% (130 out of 300) revealed that they encountered difficulties covering other essential expenses once they had paid for childcare.
 - 70% (221 out of 314) stated that they had no surplus income or savings left after paying for childcare.
 - 75% (247 out of 328) agreed that lack of funded childcare had a negative impact on their work and career.
 - 67% (209 out of 311) said they reduced their working hours due to a lack of childcare.
 - 72% (106 out of 147) mentioned they would have returned to work or increased their work hours quicker if more funded childcare had been available.
 - 85% (273 out of 321) stated that need for childcare has impacted their ability to accept new work or additional hours.

⁶ Annual Survey of Hours and Earning, Workplace Analysis, Annual Gross Income 2022 via Nomis.

⁷ Stats Wales, People in relative income poverty by family type.

<https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/people/peopleinrelativeincomepoverty-by-familytype>

⁸ ONS, [Families in England and Wales: Census 2021](#)

⁹ Stats Wales, People in relative income poverty by family type.

<https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/people/peopleinrelativeincomepoverty-by-familytype>

¹⁰ Turkmen, H. (2023). *Little Steps, Big Struggles: Childcare in Wales*, Cardiff: Oxfam Cymru/Make Care Fair Coalition. <https://oxfamapps.org/cymru/wp-content/uploads/2023/11/Little-Steps-Big-Struggles.pdf>.

The research presents the experiences and perceptions of 335 parents/guardians

- 2.3.6. Lack of affordable and funded childcare can force parents and guardians to leave the labour market, depriving the economy from skilled workforce. This is particularly critical for foundational sectors like healthcare, social care, and education, where women dominate the workforce. The foundational sectors require more workforce, but skilled workers are leaving their jobs due to caring responsibilities. One of the participants in Oxfam Cymru's research described the situation as follows: "*We both work for the NHS, so the cost and lack of childcare is indirectly impacting the healthcare service. We are having to work part-time.*"
- 2.3.7. Many parents also rely on informal, unpaid childcare as a significant part of their childcare provision. In fact, 64% of parents and guardians surveyed by Oxfam reported using regular informal childcare as a way to cope with the high cost of childcare. However, this reliance on informal childcare can also pressure the caregivers' time and ability to work. Some participants mentioned that their family members reduced their working hours to look after their grandchildren.
- 2.3.8. Childcare costs affect not only parents and guardians but also childcare providers. The National Day Nurseries Association (NDNA) has revealed that the increasing costs are putting pressure on private and voluntary nurseries in Wales.¹¹ In their 2023 report, they emphasized that due to insufficient funding provided by the Welsh Government for the 30-hour funded childcare offer for children aged 3-4, 88% of nurseries either expect to break even or make a loss. Currently, the funding rate for the Childcare Offer for Wales is £5 per hour per child, which is not enough for nurseries to cover their expenses. It is also worth noting that nursery workers are among the lowest-paid grade and their labour is not adequately recognised.
- 2.3.9. While Wales has made considerable strides in childcare provision and early education, ensuring easy, equitable access to affordable, high-quality childcare remains a pressing challenge. Our research highlights significant gaps in the provision of funded childcare in Wales. Currently, two major programs are in place: Flying Start for 2-year-olds in designated areas, and the 30 Hours Funded Childcare Offer for 3-4 year-olds (the Offer). However, despite their valuable impact on eligible families, both programs have shortcomings in reaching out. From a financial perspective, two significant gaps can be underlined: Firstly, the available programs do not extend support to children under 2 years old, which places parents in a situation of considerable financial hardship. Secondly, the two available programs target different groups of families. While Flying Start falls short of providing comprehensive support to parents outside designated areas and those in employment, the Offer excludes unemployed, economically inactive, and low-income families.
- 2.3.10. Childcare is a crucial aspect of the economy and society, as evidenced by its impact and importance for the well-being of future generations. It is also critical for

¹¹ Wales nursery crisis: 88% expect to make a loss or break even, NDNA, March 2023, <https://ndna.org.uk/news/wales-nursery-crisis-88-expect-to-make-a-loss-or-break-even/#:~:text=This%20is%20because%2090%25%20say,is%20%C2%A32%2C500%20per%20year>

tackling poverty. As Oxfam Cymru, we strongly urge the Welsh Government to recognise the significance of childcare for the economy and society and reflect it in the budget. We also request transparency in the allocation of funds released from the 30 Hours Funded Childcare Offer¹² and clarity on whether the expansion plans will continue.

2.4. *Recognition of unpaid care*

2.4.1. An estimated 450,000 people are providing unpaid care or support in Wales¹³, over 14% of the population. The value of unpaid care in the Welsh economy stands at £10.6 billion per year.¹⁴ It is estimated that 96% of all care in Wales is provided by unpaid carers¹⁵, yet just 18% of unpaid carers in Wales are eligible for Carer's Allowance.¹⁶

2.4.2. The recent State of Caring 2023 report of Carers Wales reveals stark figures about the financial constraints unpaid carers experience and their impact on their lives:¹⁷

- Nearly 1 in 4 carers (23%) are cutting back on essentials like food and utilities like gas or electricity
- More than a third of carers (34%) are struggling to make ends meet
- Two-thirds (66%) say the cost-of-living increase has had a negative impact on their physical and/or mental health
- More than half of carers in Wales (51%) are cutting back on seeing friends and family

2.4.3. Unpaid carers provide essential care for children, sick, disabled and elderly people. Yet despite the crucial role unpaid carers play in Welsh society, their efforts too often go unnoticed and unrewarded: leaving many carers facing emotional and financial hardship as a result. We strongly urge the Welsh Government to use their resources and levers to provide financial support to unpaid carers to ensure no unpaid carer in Wales grapples with poverty or isolation.

3. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Are there any potential skill gaps that need to be addressed to achieve these plans?

3.1. The Welsh Government puts the transition to a green economy and achieving net zero targets at the heart of their economic development programmes. However, the focus of the

¹² The Finance Minister Rebecca Evans MS mentioned there will be a release of £16.1 million due to the low take up of the childcare offer. Rebecca Evans MS, Minister for Finance and Local Government, Plenary Statement, 17 October 2023. <https://record.assembly.wales/Plenary/13522>

¹³ Carers Wales, November 2023, State of Caring 2023: The impact of caring on finances in Wales. <https://www.carersuk.org/media/ineeasbh/sociw-finance-final-eng.pdf>

¹⁴ Unpaid care in Wales valued at £10.6 billion per year, Carers UK, May 2023. <https://www.carersuk.org/press-releases/unpaid-care-in-wales-valued-at-10-6-billion-per-year-gwerth-gofal-di-d%C3%A2l-yng-nghymru-yw-10-6-biliwn-y-flwyddyn/>

¹⁵ <https://research.senedd.wales/2020/05/19/coronavirus-adult-social-care/>

¹⁶ [https://carers.org/downloads/finance-briefing-\(eng\).pdf](https://carers.org/downloads/finance-briefing-(eng).pdf)

¹⁷ Carers Wales, November 2023, State of Caring 2023: The impact of caring on finances in Wales. <https://www.carersuk.org/media/ineeasbh/sociw-finance-final-eng.pdf>

Government's strategies is on the green economy and decarbonisation of the economy ignoring the structural inequalities, and the need for wider changes in how our economy works and how we go about our day-to-day lives.¹⁸ Tackling the climate crisis needs more than decarbonising the most polluting sectors and relying on technological solutions.¹⁹

3.2. In addition, by solely focusing on high-tech and highly polluting industries, the policies disregard and undervalue the foundational sectors of the economy, such as the care sector, which are already greener industries. Oxfam Cymru supports the notion of acknowledging care as a green economy and placing it at the centre of a fair and just transition towards a greener economy.²⁰

3.3. We echo the call of Women's Budget Group on Green and Caring Economy and recommend the Welsh Government to consider low-carbon transport, green social housing, caring activities and the creation of parks and green spaces as a focus of a public investment strategy that will target both the decarbonisation of our physical infrastructure and the expansion of social infrastructure.²¹ These strategies should be designed around the needs and everyday practices and facilitate caring responsibilities.

3.4. Recognising care as a green economy will redefine the concept of "green jobs" and create intersecting investment areas for a green and caring economy. Currently, the employability plan defines green jobs within the most polluting sectors such as energy, transportation, manufacturing, construction/housing sectors, largely dominated by male workforce. This means that men will benefit to a far greater extent from investment in training and emerging job opportunities as we transition to a green economy. To achieve a just and fair transition, structural inequalities should be addressed, action should be taken to tackle gender stereotypes and to engage with women and other underrepresented groups in these sectors to create employment pathways and close gender and skills gaps.²²

4. Comments on some specific areas

4.1. *Is enough being done to tackle the rising living costs and support those living in relative income poverty?*

4.1.1. We appreciate the efforts of the Welsh Government to tackle with rising costs of living and relative income poverty, but we believe that there are important issues to be prioritised within the context of tackling poverty.

¹⁸ Parken A. and MacBride-Stewart S. (2023), Summary Report of the Mainstreaming Equality and Just Transition Evidence Panel.
<https://orca.cardiff.ac.uk/id/eprint/157749/7/An%20Equal%20and%20Just%20Transition%20-%20Mainstreaming%20Equality%20Evidence%20Panel%20-%20Summary%20Report%20150323%20%281%29.pdf>

¹⁹ Turkmen, H. (2022), Towards a Gender Equal Wales, Chwarae Teg.

²⁰ Women's Budget Group, 2022, A Green and Caring Economy.
<https://wbg.org.uk/analysis/greenandcaringeconomy/>

²¹ Ibid.

²² Turkmen, H. (2022), Towards a Gender Equal Wales, Chwarae Teg: Cardiff.

- 4.1.2. To start with, the discontinuation of support schemes introduced during the pandemic and the onset of the cost-of-living crisis, such as the provision of Free School Meals during school holidays, and the Winter Fuel Support Scheme have had a significant impact on low-income households. The Welsh Government should carry on providing these schemes.
- 4.1.3. As previously mentioned, poverty and caring responsibilities are closely linked, whether it is childcare, paid care or unpaid care. The lack of gender mainstreaming and an intersectional gender lens in policymaking and unrecognition of the value of unpaid care and domestic labour is a structural problem we observe in tackling poverty and rising cost of living. Poverty affects men and women differently, with women often experiencing unique and disproportionate challenges. Gender disparities in income, employment opportunities, and access to education and healthcare can result in a higher likelihood of women living in poverty.
- 4.1.4. Due to deep-rooted, structural gender inequality, women in Wales are more likely to be working in part-time, insecure and low-paid jobs, bearing a disproportioned share of caring responsibilities and have lower wealth and savings, as the figures below show:
- 37.4% of women aged 16-64, who are in employment work in part-time jobs compared to 13.6% of men.²³
 - 25.5% of economically inactive women were out of work due to “looking after family/home”, compared to only 6.8% of men.²⁴
 - Gender pay gap remains stubborn with 11.8% in 2023 in Wales.²⁵
 - In the UK, women are 1.8 times more likely to be in insecure work than men. 26% of working women (3.9 million) are currently trapped in severely insecure work in the UK, compared to 14% of men.²⁶
 - Mothers with children under nine are 2.7 times more likely than fathers (30.4% compared with 11.2%), and 1.9 times more likely than women without children (30.4% compared with 24.7%), to experience severely insecure work - and this is only partly related to mothers being more likely to work part-time.²⁷
 - There is also a significant divide when it comes to the ethnicity of employees in insecure work in the UK. Black women are 1.4 times more likely to experience severely insecure work than black men (30.3% compared with 21.8%), and 4.8 percentage points more likely than white women (30.3% compared with 25.5%).²⁸

²³ Annual Population Survey, April 2022-March 2023 release, retrieved via NOMIS, September 2023.

²⁴ Ibid.

²⁵ ONS, Gender Pay Gap, ASHE 2023 Provisional Data.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/annualsurveyofhoursandearningsashegenderpaygaptables>

²⁶ Lancaster University, [2022], [New study shows working women at sharp end of cost of living crisis with 26% trapped in severely insecure work](#). Accessed: September 2023

²⁷ Ibid.

²⁸ Ibid.

- Figures for disabled women are also concerning. 30.2% of disabled women are currently trapped in severely insecure work (in comparison to 25% of non-disabled women).²⁹

4.2. How could the budget further address gender inequality in areas such as healthcare, skills and employment?

- 4.2.1. As highlighted above, an intersectional gender-based, gender mainstreaming approach should be implemented to tackle gender inequality.
- 4.2.2. Childcare is a significant issue for many families, particularly for women, as stated in section 2.3. Due to their caring responsibilities, women often work in insecure, low-paid, part-time jobs. Without developing solutions to make childcare affordable and accessible, gender inequality in the Welsh economy and sector will continue to persist.
- 4.2.3. It is essential to analyse and explore the intersecting factors to identify the gaps in the policy framework. For instance, parents engaged in shift work, such as in the health and social care field, face a significant challenge due to the limited availability of childcare options. This sector is predominantly female, and the lack of adequate childcare support can deter them to fully participate in workforce. Likewise, a lack of childcare provision for parents in training programmes, including short courses and skill development courses has a negative impact on the labour market. These training opportunities are crucial for participating in the labour market and skill development, particularly in the shift towards a green economy.
- 4.2.4. Gender stereotypes and structural inequalities in the labour market hinder the solution of skill gaps. There is a pressing need to proactively address gendered perspectives in the labour market. For instance, a study conducted by Chwarae Teg in 2022 revealed that 97% of young women who took part in the research answered 'no,' 'not sure,' or 'I don't know what is meant by "green jobs"'.³⁰ If specific strategies are not developed to tackle structural gender inequalities, the gender gap and skills gap in the Welsh sector will continue to exist.

4.3. Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?

- 4.3.1. The third sector plays a pivotal role in Wales, not only by delivering essential public services—exemplified by organisations like Citizens Advice Cymru and Trussell Trust Cymru—but also by serving as a critical scrutineer of the Welsh government. The repercussions of losing EU funding have intensified the pressure on these third-sector organisations. The uncertainty surrounding the provision of replacement funds by the UK government has left many of these organisations facing an uncertain future.

²⁹ Ibid.

³⁰ Young Women's Experiences of careers Advice and Guidance in Wales, Chwarae Teg, April 2022.

4.3.2. Despite facing its own financial challenges, the Welsh Government must recognise the indispensable role of third-sector organisations and actively support them during these economically strenuous times. The potential loss of these entities would create a significant void in public life. A poignant example is the closure of Chwarae Teg, a prominent gender equality charity. The disappearance of Chwarae Teg from the public and political spheres, along with the cessation of their impactful initiatives work, has not only left a tangible void but has also affected the collective efforts to foster a feminist Wales. It highlights the broader societal consequences of the lack of sufficient support for the financial well-being of third-sector organisations.

4.4. *What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Wellbeing of Future Generations Act?*

- 4.4.1. Wales has a strong foundation on which to do things differently. From the Well-being of Future Generations (Wales) Act to the Gender Equality Review, the existence of dedicated Ministers for Climate Change and Social Justice, multiple equality action plans, membership of global networks for well-being economies and a commitment being a feminist government, there is a strong, solid foundation in Wales for developing targeted, effective social policies and public services that better deliver for the wellbeing of people and the planet.
- 4.4.2. In the long term, the Welsh Government should consider taking bold actions to transform the economy into a care-centred green economy. Transitioning to a care-centred green economy is a visionary and forward-thinking approach that can significantly contribute to the long-term elimination of inequality in Wales. Such an economy strongly emphasises environmental sustainability and prioritises the well-being of future generations and the planet.
- 4.4.3. The paradigm shift towards a caring economy would require us to measure and value success not solely based on GDP, but on indicators that reflect the quality of life for all.³¹ Investments in social safety nets, affordable healthcare and childcare, quality education, fair work and sustainable livelihoods can play a pivotal role in a caring economy that puts the wellbeing of future generations and the planet at its heart.

³¹ A recent discussion paper by Oxfam, Radical Pathways Beyond GDP, presents a rich discussion on how to move our economies beyond GDP and growth-centred economies to caring, green economies. Parvez Butt, A. (2023), Radical Pathways Beyond GDP: Why and how we need to pursue feminist and decolonial alternatives urgently. Oxfam. <https://policy-practice.oxfam.org/resources/radical-pathways-beyond-gdp-621532/>