

Cyllideb Llywodraeth Cymru 2024-25

Ymatebion i'r ymgyngoriad

Rhagfyr 2023

Welsh Parliament
Finance Committee

Welsh Government Draft Budget 2024-25

Consultation responses

December 2023



Cynnws | Contents

* Saesneg yn unig | English only

Rhif Number	Sefylliad	Organisation
WGDB_24-25 01*	Sefydliad y Peirianwyr Sifil	Institution of Civil Engineers (ICE)
WGDB_24-25 02*	Cynghrair Canser Cymru	Wales Cancer Alliance (WCA)
WGDB_25-25 03*	Consortiwm Manwerthu Cymru	Welsh Retail Consortium (WRC)
WGDB_25-25 04*	Fferylliaeth Gymunedol Cymru	Community Pharmacy Wales
WGDB_24-25 05*	Fferylliaeth Gymunedol Cymru	Blaenau Gwent County Borough Council
WGDB_24-25 06*	Cymdeithas Ddysgedig Cymru	The Learned Society of Wales
WGDB_24-25 07	Cymdeithas Alzheimer Cymru	Alzheimer's Society Wales
WGDB_24-25 08	Llamu	Llamu
WGDB_24-25 09	Future Generations Commissioner	Comisiynydd Cenedlaethau'r Dyfodol Cymru
WGDB_24-25 10*	NFU Cymru	NFU Cymru
WGDB_24-25 11	Gorwel	Gorwel
WGDB_24-25 12*	Sylfaen Banc Lloyds	Lloyds Bank Foundation
WGDB_24-25 13*	Y Brifysgol Agored	The Open University
WGDB_24-25 14	Cyngor Gweithredu Gwirfoddol Cymru (CGGC)	Wales Council for Voluntary Action (WCVA)
WGDB_24-25 15*	Sustrans Cymru	Sustrans Cymru
WGDB_24-25 16	Comisiynydd Pobl Hŷn Cymru	Older People's Commissioner for Wales

WGDB_24-25 17*	Sefydliad Tai Siartredig (CIH) Cymru	Chartered Institute for Housing (CIH) Cymru
WGDB_24-25 18*	Sefydliad Iechyd Meddwl	Mental Health Foundation
WGDB_24-25 19*	Cwmpas	Cwmpas
WGDB_24-25 20*	Grŵp Cyllideb Menywod Cymru (GCMC) Rhwydwaith cydraddoldeb merched (RCM)	Wales Women's Budget Group (WWBG) Women's Equality Network (WEN)
WGDB-24-25 21*	Sefydliad Cynllunio Trefol Brenhinol	Royal Town Planning Institute
WGDB-24-25 22*	Prifysgolion Cymru	Universities Wales
WGDB_24-25 23*	Cymorth i Ferched Cymru	Welsh Women's Aid
WGDB_24-25 24	Coleg Cymraeg Cenedlaethol	Coleg Cymraeg Cenedlaethol
WGDB-24-25 25*	Undeb Prifysgol a Choleg Cymru	University and College Union Wales
WGDB_24-25 26*	Cartrefi Cymunedol Cymru	Community Housing Cymru (CHC)
WGDB_24-25 27*	Colegau Cymru	Colleges Wales
WGDB_24-25 28*	Gofal a Thrwsio Cymru	Care and Repair Cymru
WGDB_24-25 29*	Cyswllt Amgylchedd Cymru	Wales Environment Link
WGDB_24-25 30*	RSPB Cymru	RSPB Cymru
WGDB_24-25 31*	Barnardo's Cymru	Barnardo's Cymru
WGDB_24-25 32*	Cynghrair Iechyd Meddwl Cymru	Wales Alliance for Mental Health (WAMH)

WGDB_24-25 33*	Sefydliad Prydeinig y Galon Cymru	British Heart Foundation Wales
WGDB_24-25 34*	Federasiwn Hyfforddiant Cenedlaethol Cymru	National Training Federation Wales
WGDB_24-25 35	Marie Curie	Marie Curie
WGDB_24-25 36*	Yn Unigolyn	An Individual
WGDB_24-25 37*	Age Cymru	Age Cymru
WGDB_24-25 38*	(Plant yng Nghymru) Barnardo's Cymru, Save the Children Wales, NSPCC Cymru/Wales, Home-Start Cymru, The Children's Society, National Youth Advocacy Service (NYAS) Cymru, TGP Cymru and Action for Children Wales	(Children in Wales) Barnardo's Cymru, Achub y Plant Cymru, NSPCC Cymru/Wales, Home-Start Cymru, The Children's Society, Gwasanaeth Eiriolaeth Ieuencid Cenedlaethol (NYAS) Cymru, Plant a Theuluoedd (TGP) Cymru and Gweithredu deos Blant
WGDB_24-25 39*	Clinks	Clinks
WGDB_24-25 40*	Prifysgol Metropolitan Caerdydd	Cardiff Metropolitan University
WGDB_24-25 41*	Platfform	Platfform
WGDB_24-25 42*	Confederasiwn GIG Cymru	Welsh NHS Confederation
WGDB_24-25 43*	Oxfam Cymru	Oxfam Cymru
WGDB_24-25 44 *	Yn ôl y Partneriaid Bil (Tai Pawb, Shelter Cymru, CIH Cymru)	Back the Bill Partners (Tai Pawb, Shelter Cymru, CIH Cymru)
WGDB_24-25 45*	Ffederasiwn y Busnesau Bach	Federation of Small Businesses (FSB)
WGDB_24-25 46	Chwaraeon Cymru	Sport Wales

WGDB_24-25 47*	Cymorth Cymru	Cymorth Cymru
WGDB_24-25 48*	Dros Newid Cymdeithasol Cymru	Psychologists for Social Change
WGDB_25-24 49*	Sefydliad Foundation	Bevan Foundation
WGDB_24-25 50	Cymdeithas Llywodraeth Leol Cymru (CLLC)	Welsh Local Government Association (WGLA)
WGDB_24-25 51	Association of Directors of Social Services (ADSS) and Welsh Local Government Association (WGLA)	Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol (CCGC) a Cymdeithas Llywodraeth Leol Cymru (CLLC)
WGDB_24-25 52	Welsh Language Commissioner	Comisiynydd y Gymraeg

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 01: Ymateb gan: Sefydliad y Peirianwyr Sifil | Response from: Institution of Civil Engineers (ICE) Wales



Welsh Parliament Finance Committee

By email to SeneddFinance@Senedd.Wales

1 October 2023

Institution of Civil
Engineers
2nd Floor, Cambrian
Buildings
Mount Stuart Square
Cardiff Bay CF10 5FL

Sefydliad y Peirianwyr Sifil
Cambrian Buildings
Sgwâr Mount Stuart
Bae Caerdydd CF10 5FL

Welsh Government Draft Budget Proposals 2024-2025

I refer to the Committees of the Welsh Parliament seeking information to inform their scrutiny of the Welsh Government's 2024-25 Draft Budget proposals.

On Behalf of the Institution of Civil Engineers (ICE Wales Cymru) we 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. Wales needs a clear 'Vision for Infrastructure'. Further development of the Wales Infrastructure Investment Plan (WIIP) is required.

The focus for the 2024 / 2025 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.

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.

t/ffon +44 (0) 29 2063
0561
www.ice.org.uk/wales



The decision to cancel the Wylfa Newydd project continues to cause great concern and will lead to lack of jobs and economic downturn together with a possible shortfall of energy. With the current focus on establishing more local forms of energy generation, this project should be readdressed. Investment in sustainable forms of energy should be prioritised – to coincide with the Welsh Government’s Towards Zero Carbon policies and the current energy crisis. 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, yet Wales suffered from drought situations in 2022. 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 not just the current productivity lag, but to improve infrastructure delivery and yield economic growth for the future: 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. 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

In previous years we recommended the need to transform Wales digital environment, this was highlighted by the 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 is a transition to a mix of some office and some home working. Reliance on the provision of high-speed broadband in the urban communities and less provision in rural Wales is not acceptable – and productivity should be improved.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

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. The pausing of new road construction has and will continue to be of real concern.*

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

– How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

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 south - the M4 corridor around Newport are growing and urgent action is needed. In north Wales, investment in the A55 corridor is needed as it gives access to Holyhead and Ireland.*

The Institution of Civil Engineers has gone through a fundamental restructuring and is well prepared for 2024-25. The increased switch to 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.

3. What action should the Welsh Government take to help households cope with inflation and cost of living issues? – How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

Response: *Congestion, pollution and safety issues on the strategic highway network continues to cause concerns particularly as traffic volumes increase after the pandemic. Energy concerns (availability of supplies and cost) are major problems. Wales needs efficient, effective and affordable transport networks in all parts of Wales and must recognise the limitations imposed by weather, topography and demographics.*

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Response: *There are six 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. Some communities may need practical assistance and help.

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.

Fourth, 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.

There is a lack of available civil engineering skills in Wales, and the lack of a civil engineering degree apprenticeships is causing a drain across the border to England. ICE Wales Cymru has seen and indeed ICE is part of the group building up this first Civil Engineering Apprenticeship Degree, but it must meet the accreditation requirement of the Joint Board of Moderators. Both England and Scotland have accredited Civil Engineering Degrees, the current proposals fall far short of the requirements.

Fifth, In the Transport sector the Institution of Civil Engineers Wales Cymru will be working with other kindred Institutions to improve with training and Knowledge Transfer events.

Sixth, there is a need to prioritise the construction and availability of electric vehicle charging points across Wales – not just in the conurbations but across all Wales. Alternative sources of energy must also be established (e.g. hydrogen).

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

Response: *These funds should be used to invest in the skills and infrastructure of Wales.*

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Response: *no comments offered.*

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

Response: *ICE is keen to address the gender gap and has clear policies and proposals in these areas, ICE supports the Equality in STEM - Industry Subgroup and the APPG Women and Work.*

– Is the Welsh Government’s approach to preventative spending 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 spending should consider better asset management and the better use of data. Producing a policy on Building Information Management will deliver enhanced preventative spending. Undertaking a lowest cost procurement strategy will not result in better value and lower longer-term preventative spending requirements. This I would suggest is a major area for improvement. Spending on local roads (maintenance, renewal and improvement) has been neglected for years and many are in a perilous state. Bridges collapse and repairs / renewal are delayed.*

– How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

Response: *Transparency is important with full consultation and information.*

– How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

Response: *As above, transparency is important with full consultation and information.*

– How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

Response: *no comments offered.*

– Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

Response: *no comments offered.*

– Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

Response: *continued investment in the infrastructure is required.*

– Is there enough infrastructure investment targeted at young people?

Response: *no comments offered.*

– How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

Response: *no comments offered.*

– 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?

Response: *no comments offered.*

– 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 Well being of Future Generations Act.

Eur Ing Keith Jones BSc DMS C Eng C Env FICE FCIHT FCMI
Chartered Civil Engineer / Peiriannydd Sifil Siartredig
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 93,000 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.

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 02 : Ymateb gan: Cynghrais Cancer Cymru (Saesneg yn unig) |

Response from: Wales Cancer Alliance (WCA) (English only)





WALES CANCER ALLIANCE CYNGHRAIR CANSER CYMRU

Eluned Morgan MS
Minister for Health and Social Services
5th Floor
Senedd Cymru
Caerdydd
CF99 1SN

02 October 2023

Dear Minister

Continuation of funding for the Single Cancer Pathway Programme

The Wales Cancer Alliance is concerned that the £3 million allocated to the NHS in Wales, via the Wales Cancer Network to allow them to implement and advance the Single Cancer Pathway (SCP) Programme concludes at the end of this financial year. We raised our concerns around the premature ending of this programme when we last met and you indicated that no decision has been made to date.

We write now to formally note our concern that NHS cancer clinicians and managers responsible for the SCP Programme are entering a period of uncertainty and avoidable disruption as we continue to struggle to recover from the Covid 19 pandemic. As of July this year only 56% of patients have started their cancer treatment within the 62-day target. This is a long way off the trajectory to achieve a target of 80% compliance by 2026.

In 2019, Welsh Government took the decision to implement this new and innovative pathway, distinguishing Wales from the other UK nations. It was the culmination of more than three years of work to change how health boards identify and report on diagnosis and treatment and to improve outcomes and experiences for people affected by cancer. Alongside the changes to how cancer waiting times are reported, the SCP Programme has helped cancer clinicians and managers identify the hidden waits across the cancer pathway, and the development of internationally recognised National Optimised Pathways (NOPs). Covid-19 was a major disruption to the SCP Programme and recovery will take time and require improvements throughout the pathway, such as ongoing improved regional working. In short, there is still much to do!

We note that the Wales Cancer Network has had to advise NHS bodies that may have otherwise been able to support the work of the SCP Programme that it cannot commit to funding proposals beyond 31st March 2024.

Ysgrifennydd / Secretary : Greg Pycroft
g/o Tenovus Cancer Care, Llawr Cyntaf, Llys Jones, Stryd Womanby CF10 1BR
c/o Tenovus Cancer Care, First Floor, Jones Court, Womanby Street CF10 1BR



WALES CANCER ALLIANCE CYNGHRAIR CANSER CYMRU

Whilst we recognise the challenging financial pressures within NHS Wales and the wider public sector, we believe that a premature removal of funding would hamper the ability of our NHS colleagues to realise and deliver on the targets set by Welsh Government in relation very public performance management measures outlined within the SCP Programme.

Without ongoing support, it is difficult to see how health boards will continue to mature and embed its delivery of this vital Programme. Without ongoing support, we believe that there will be disruption and a further decline in cancer waiting times and consequently an ongoing deterioration of patient outcomes in Wales.

We do hope that your Government will consider extending and fully funding the SCP Programme for a second five year period and are seeking your reassurance on this.

Please note that the Wales Cancer Alliance will be taking this opportunity to submit a copy of this correspondence to the chair of the Finance Committee which is currently conducting a call for evidence to inform the scrutiny of the Welsh Government Draft Budget 2024/25.

Yn gywir

Lowri Griffiths
Chair, Wales Cancer Alliance

cc.
Peredur Owen Griffiths MS, Cadeirydd, Y Pwyllgor Cyllid

Ysgrifennydd / Secretary : Greg Pycroft
g/o Tenovus Cancer Care, Llawr Cyntaf, Llys Jones, Stryd Womanby CF10 1BR
c/o Tenovus Cancer Care, First Floor, Jones Court, Womanby Street CF10 1BR

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 03 : Ymateb gan: Consortiwm Manwerthu Cymru (Saesneg yn unig) |
Response from: Welsh Retail Consortium (English only)



THE COST CRUNCH:

A BUDGET TO SUPPORT
CONSUMERS, COMMUNITIES
AND BUSINESS

Retail industry recommendations
for the 2024-25 Welsh Budget



CONTENTS

A SNAPSHOT OF RETAIL	3
INTRODUCTION	4
RETAIL TRADING CONDITIONS	5
RECOMMENDATIONS FOR THE WELSH BUDGET	6
Deliver on the Retail Action Plan	7
Help retailers keep down prices and invest in retail destinations	8
Support consumers through the costs crunch.	10

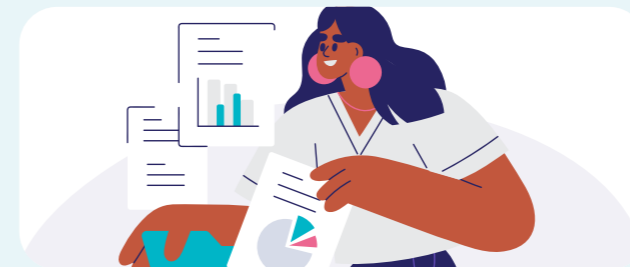


A SNAPSHOT OF RETAIL



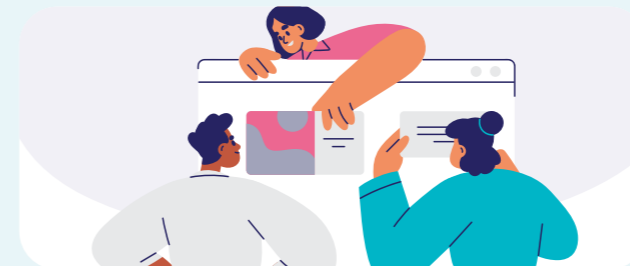
NUMBER OF SHOPS

13,135 in 2022
 (↓1.4% from 2021's 13,315, with the UK overall falling by 0.2%)



VACANCY RATE

16.6%
 (in Q3 2023, slightly improved from 16.7% in Q2 and ↓ from 17.7% in Q3 2022)



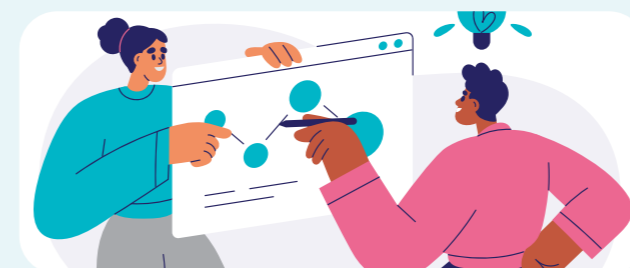
EMPLOYEES

122,000 in 2021
 (↑ 7.0% from 114,000 in 2020)



RETAIL WAGE RISE

4.3% in 2022
 (with an average of £11.97 in Wales) – 11% increase



RETAIL CONTRIBUTES

£250m
 towards Welsh business rates – 25% of all NDR return

INTRODUCTION



Autumn 2023

Dear Deputy First Minister,

The WRC welcomes the opportunity to outline considerations on behalf of the industry ahead of your upcoming Welsh Budget. Retail is a vital part of Wales' socioeconomic fabric, with huge size and reach, employing over 120,000 people and having a presence in every community. The industry is highly competitive and relentlessly innovative, meaning consumers enjoy great value, choice and quality. The industry is going through a period of profound transformation, driven by new technology and changing consumer habits.

The last few years have been challenging for retail. High inflation and rising costs immediately followed the pandemic, with operating margins contracting as retailers absorbed as much additional cost as possible and invested in prices and support for consumers, colleagues and suppliers. Cost pressures continue to bear on retailers: in this context, we encourage government to alleviate those within its remit. Government should prioritise a freeze to business rates in 2024/25 to remove an inflationary pressure which will otherwise, in part, filter through to shop prices.

Retail's scale means that the industry has huge potential to contribute to public policy goals and government targets, including decarbonisation of the economy, investment in communities and promoting social mobility, as retail jobs become higher-skilled, more productive and better paid. Investment is already happening but can be increased if the policy, regulatory and tax landscape enables investment. This should be underpinned by a more coordinated, pragmatic and proportionate approach to developing policy and regulation which impacts retail, to avoid unnecessary burdens.

Our recommendations support the government's objectives as outlined in the Economic Resilience and Reconstruction Mission. They would facilitate increased retail investment in communities, jobs and innovation, boost business support for people in need and accelerate the nation's transition to net zero.

Yours sincerely,

Sara Jones
Head of Policy & External Affairs, Welsh Retail Consortium

"Retail is a vital part of Wales' socioeconomic fabric, with huge size and reach, employing over 120,000 people and having a presence in every community."



RETAIL TRADING CONDITIONS

With the number of empty shops standing at one in six premises, the vacancy rate remains a real concern for retail, and those that rely on the sector day in, day out. Shopper footfall continues to be lacklustre and remains 12 per cent down on pre pandemic figures.

With the number of empty shops standing at one in six premises, the vacancy rate remains a real concern for retail, and those that rely on the sector day in, day out. Shopper footfall continues to be lacklustre and remains 12 per cent down on pre pandemic figures.

The outlook remains uncertain given the pressures on household disposable incomes and supply chain and statutory cost pressures affecting retailers. Retailers are hopeful that consumer confidence will improve over the coming months as inflation eases, but this sits alongside a growing backdrop of costs and government-imposed regulation which will undoubtedly create pressure at every point of the retail pipeline.

Retailers are striving to keep down prices for shoppers, increase support to colleagues, and invest in meeting their net zero targets against a backdrop of elevated commodity and supply chain costs and increased statutory obligations. On a UK wide basis retailers have of late invested significantly to put in place the infrastructure required for DRS return points and meet obligations on extended producer responsibility and national living wage.

RECOMMENDATIONS FOR THE WELSH BUDGET

● HEADLINE RECOMMENDATIONS



Allocate more resources for the Retail Action Plan to ensure that its priorities are delivered and supported with investment, with budget decisions aligned to the Action Plan's objectives.



Prioritise a freeze to the non-domestic rates multiplier in 2024/25, which is currently higher in Wales than anywhere else in GB. Over time, the rates burden should be permanently lowered.



Accelerate the Local Government Finance Bill to deliver reforms to the non-domestic rates system, particularly ensuring more frequent revaluations and a consistent and lower NDR multiplier.



Consider a moratorium on new regulation which would burden retail businesses with additional costs until the economy has recovered and the inflationary environment eased.

● DELIVER ON THE RETAIL ACTION PLAN

The Retail Vision and Action Plan provides a foundation and opportunity for the industry to support the government in reaching its objectives and remaining a mainstay of the Welsh economy. The Plan clearly outlines the value of the sector, noting 'the Welsh Government's understanding of the importance of the retail sector to our economy and society is firmly embedded and will be reflected in future policy development'.

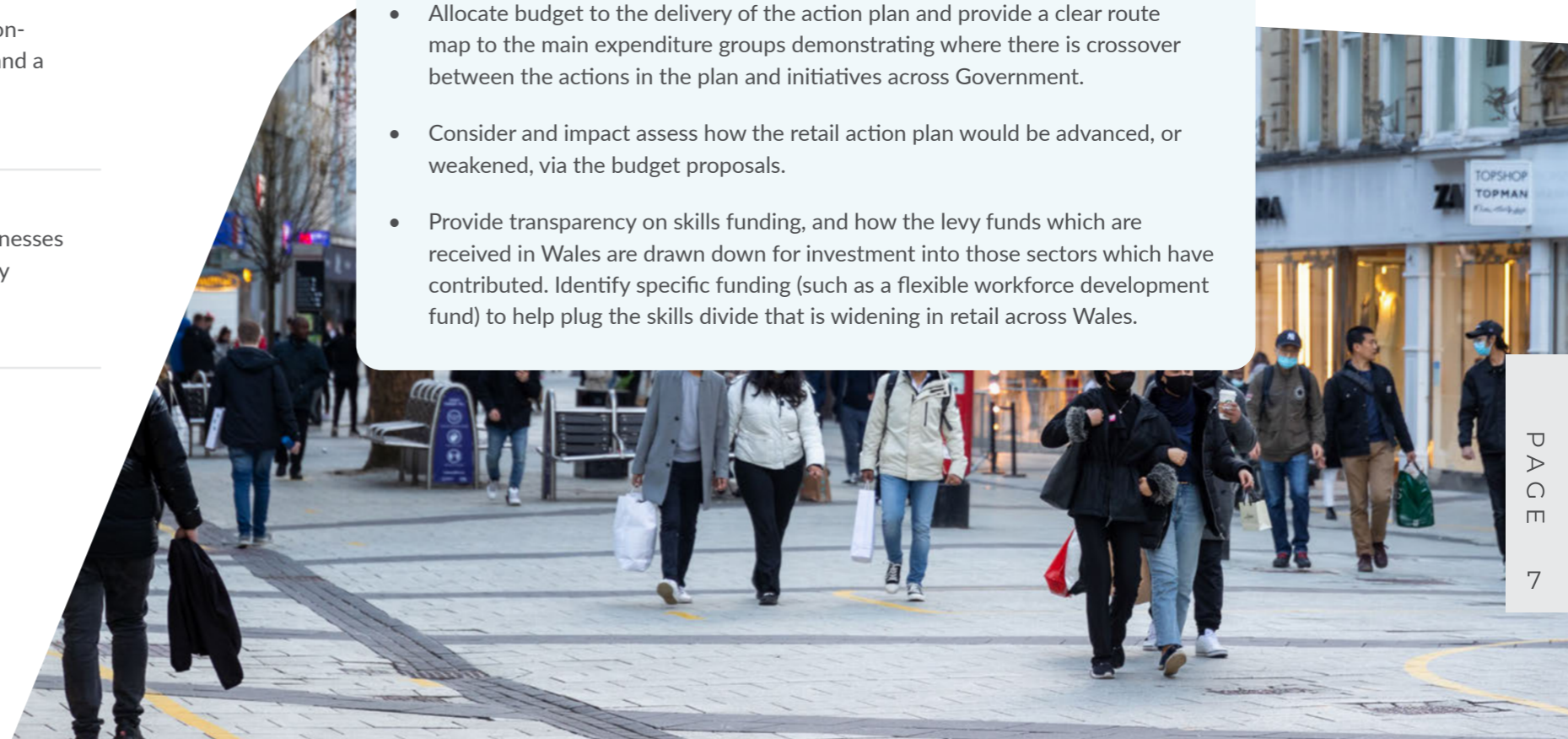
Any budgetary decisions should be cognisant of the impact they may have on the deliverability of the Action Plan, ensuring that it complements rather than detracts from its aims.

Likewise, for the Action Plan to have purpose, it requires budgetary support. The forthcoming budget provides the opportunity to allocate resource to support the plan's objectives.

With a strong focus on skills within the plan and given the Welsh Government's own current review of the vocational skills system in Wales, we would urge a review of the apprenticeship levy, and how it is implemented in Wales. Better use of Levy money which is delivered to Wales through the Barnett formula could help ensure that retailers are able to invest appropriately in supporting our colleagues to develop their careers and knowledge, removing the emerging skills gap in Wales.

Our suggestions:

- Allocate budget to the delivery of the action plan and provide a clear route map to the main expenditure groups demonstrating where there is crossover between the actions in the plan and initiatives across Government.
- Consider and impact assess how the retail action plan would be advanced, or weakened, via the budget proposals.
- Provide transparency on skills funding, and how the levy funds which are received in Wales are drawn down for investment into those sectors which have contributed. Identify specific funding (such as a flexible workforce development fund) to help plug the skills divide that is widening in retail across Wales.



● HELP RETAILERS KEEP DOWN PRICES AND INVEST IN RETAIL DESTINATIONS

Retailers are striving to keep down prices for shoppers, increase support to colleagues, and invest in meeting their net zero targets against a backdrop of elevated commodity and supply chain costs, increased statutory obligations, and greater outlays simply to run their businesses and service debts.

Retailers in Wales are facing an eye watering £108m annual cost to implementation of the proposed deposit return scheme, whilst already having invested significantly to meet obligations on extended producer responsibility and the national living wage. Further devolved statutory obligations are in the pipeline: including restrictions on the promotion in store of products high in fat and sugar; the business recycling regulations and single use plastics legislation.

Ministers have made headway on business rates policy having consulted and published a report earlier this year on reform of non-domestic rates and local government finance and has recognised the burden of business rates by allocated various reliefs and exemptions.

Shops in Wales account for 25% of business rates and the current multiplier rate (which is just shy of 54% and the highest in GB) is at an onerous 24-year high which is over a fifth higher than since the start of the previous decade. Many stores are liable for an improvement district levy on top. An approach to tax is needed which helps retailers keep down prices for shoppers and which helps retail destinations and economic growth rebound.



Our suggestions:

- Rule out any uplift in the business rate. A hike next Spring would add £18 million to retailers' rates bills and would be at odds with the Welsh Government's plans to support the sector as outlined in the Retail Action Plan.
- Set out a timetabled plan to lower the business rate permanently over the medium term to a more financially sustainable level for firms; this would offer a meaningful competitive advantage for all Welsh firms.
- In the short term rule out any split in the NDR multiplier, and ensure that a move to more frequent revaluations, on a three yearly basis as is the case in England and Scotland, is introduced as soon as is possible.
- Shops and hospitality businesses here in Wales have benefitted from the 75% Retail Hospitality & Leisure rates discount which was available in 2023/24. If there are to be devolved 'Barnett Consequentials' emanating from a continuation of RHL relief by the UK Government in 2024-25 then the discount/relief should apply equally in Wales.
- Workplace parking levies are a charter for extra cost and would mean firms are taxed twice as they already pay business rates on parking places provided for colleagues. Any consideration of such levies, or suggestion that Councils will seek to implement, should be undertaken with caution.
- Should the Tax Engagement Group be considering any new taxes on business or households then we would wish to see the earliest possible dialogue with our industry and a clear understanding of the impact on firms or consumers. We would be concerned at any new taxes or levies which might make Wales a more expensive place to invest or live.
- Emerging Regional Transport Plans should consider how accessibility, whether that be active travel, public transport or by car, can be improved to support footfall into our high streets and retail destinations. Those responsible for developing these plans should engage with retailers and other business owners to ensure they reflect the current challenges and opportunities.
- Continue to invest in Transforming Towns and seek to ensure that it has the voice of business when it comes to fund allocation. The Welsh Government should consider widening the scope of the funding to support the actions outlined in the Retail Action Plan.

● SUPPORT CONSUMERS THROUGH THE COSTS CRUNCH

Shopper spending has been somewhat resilient over the past year, despite the cost-of-living crunch and elevated levels of inflation. However, retail spend across Wales and the UK has dipped of late. That resilience in consumer spending will be tested further by rising mortgage rates as well as the various additional levies and charges in the pipeline e.g., powers for local authorities to charge council tax premiums and increasing taxes on second homes and the introduction of a tourism visitor levy which will presumably apply to staycations as well as visitors from out-with Wales with charges drinks bottles and cans also in the pipeline.

As retailers continue to strive to keep down prices for shoppers our suggestions are:

- Workers on low or modest earnings should continue to be protected from rises in Welsh income tax.
- The Welsh Government should urge local government to be mindful of the impact on household discretionary spending from any further uplift to council tax. With council tax reform due to be delivered from April 2025, we would urge the Welsh Government to maintain the approach of this being a cost neutral change given that they are not designed to raise any more revenue overall than is raised currently.
- Policy makers should be wary about adding further pressure on to household finances over the coming year, over and above those already planned.
- Alcohol minimum unit pricing (MUP) is to be reviewed in 2025. The review should be mindful of the deposit return scheme levy which may apply from late 2025 to products subject to MUP.

● REDUCE THE COST OF GOVERNMENT.

The £900m gap in the devolved government's finances is forecast to widen in subsequent years and is due to factors including elevated inflation, weak economic growth, as well as greater outlays on health, and public sector pay.

It matters profoundly that Ministers succeed in eliminating the gap and putting government finances on a sustainable path, as this would help militate against the need for tax rises on individuals and firms which could stymie economic recovery.

Business recognises there are few palatable options for our politicians. However, retailers know all about having to cut their cloth in the face of spiralling costs, having dealt with a tsunami of hikes in commodity and supply chain prices over the past couple of years with various statutory burdens sprinkled on top.

Our suggestions:

- Inject certainty into fiscal decisions with a multi-year plan to eliminate the gap in devolved government finances and put them on a sustainable path. Spending restraint, not tax rises, should form the bulk of the budgetary action to plug the gap.
- The number of public bodies including local authorities and rates assessors could be reviewed and potentially reduced. Government premises surplus to requirements should be disposed of.
- The NHS could further expand the use of community pharmacy and opticians to reduce pressure on GPs and ensure healthcare provision is more accessible.
- Fewer regulatory initiatives should be progressed which impact on business whilst the economy is recovering. Easing the cumulative impact of regulation would give retailers much needed breathing space and allow them to focus on mission critical tasks, while allowing government to do likewise.

ABOUT THE WRC

The Welsh Retail Consortium's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future. Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The WRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership here in Wales and across the UK comprises businesses delivering £180bn of retail sales and employing over one and half million employees.

In addition to publishing leading indicators on Welsh footfall and shop vacancies, our policy positions are informed by our membership and determined by the WRC Member Group.

CONTACT DETAILS:

Sara Jones
Head of Policy & External Affairs
Welsh Retail Consortium
Sara.Jones@brc.org.uk



WELSH RETAIL CONSORTIUM

Suite 103, 209 City Road, Cardiff, CF24 3JD

info@brc.org.uk | brc.org.uk/wrc

Welsh Retail Consortium – a company limited by guarantee Registered in England and Wales No. 405720

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 04 : Ymateb gan: Fferylliaeth Gymunedol Cymru (Saesneg yn unig) |
Response from: Community Pharmacy Wales (English only)





Community Pharmacy Wales response to a call for information by The Committee of the Welsh Parliament on the

**Welsh Government Draft Budget proposals
for 2024-25**

Date: October 2023

Contact Details
Russell Goodway
Chief Executive
Community Pharmacy Wales
3rd Floor, Caspian Point 2
Caspian Way
CARDIFF, CF10 4DQ
Tel: [REDACTED]
E-Mail [REDACTED]

Community Pharmacy Wales (CPW) represent community pharmacy on NHS matters and seeks to ensure that the best possible services, provided by pharmacy contractors in Wales, are available through NHS Wales. It is the body recognised by the Welsh Government in accordance with *Sections 83 and 85 National Health Service (Wales) Act 2006* as 'representative of persons providing pharmaceutical services'.

Community Pharmacy Wales are the only organisation that represents every community pharmacy in Wales. It works with Government and its agencies, such as local Health Boards, to protect and develop high quality community pharmacy-based NHS services and to shape the community pharmacy contract and its associated regulations, to achieve the highest standards of public health and the best possible patient outcomes. CPW represents the entire network of around 700 pharmacies across Wales. Pharmacies are located in high streets, town centres and villages across Wales as well as in the major metropolitan centres and edge of town retail parks.

In addition to the dispensing of prescriptions, Welsh community pharmacies provide a broad range of patient services on behalf of NHS Wales. These face-to-face NHS Wales services, available from qualified pharmacists and Pharmacy Technicians include, Pharmacist Independent Prescribing Services, contraception services, Discharge Medicines Reviews, Smoking Cessation, Influenza Vaccination, Palliative Care Medicines Supply, Emergency Supply, Substance Misuse and the Common Ailments services.

CPW are pleased to have the opportunity to respond to this important consultation. The community pharmacy network across Wales makes a significant contribution to the health and well-being of the people of Wales as well as managing the supply of over 80 million prescribed items accounting for over £600 million of the Welsh budget. The new contract, agreed between community pharmacy and the Welsh Government clearly identifies the ability of the network to deliver a greater range of clinical services and to take pressure off GP practices and secondary care if supported financially.

Part 2: Budgeting for 2024-25

CPW would like The Committee of the Welsh Government to ensure that Welsh Government has considered the following four opportunities in its 2024-25 budget in relation to community pharmacy funding.

Core Funding: The cost of funding the community pharmacy network to Welsh Government is significantly less than the value it returns, however the effect of many years of below inflation increases in funding and the unprecedented inflation-driven increases in operating costs falling on pharmacy contractors has pushed many pharmacies to the edge of viability with around 20% of pharmacies



changing hands and twenty-one pharmacies closing their doors completely. We now have the lowest number of pharmacies in memory.

CPW would therefore strongly recommend that Welsh Government set aside funding in the budget for 2024-25 to protect communities across Wales from losing their community pharmacy and, in addition, to set aside additional funding to fully integrate community pharmacy into primary care and invest in the upgrading of premises. The Welsh Government has led the UK in the way it has developed its community pharmacy contract and now is the time to take the next step forward on this journey.

Premises funding: In order to facilitate the delivery of a broader range of clinical services there is a need to upgrade inadequate pharmacy premises and consultation rooms. Currently community pharmacies do not have access to NHS Premises Improvement Grants and simply extending access to this grant could result in a significant improvement in premises and capacity.

Pension Inequality: The current employer pension contribution in community pharmacy is around 6% compared to the 20% plus contribution for pharmacists and pharmacy technicians employed in hospitals. This is a barrier to staff movement and progression between the sectors and is a major contributor to the workforce pressures felt within the community pharmacy sector. CPW would wish to see all pharmacists and pharmacy technicians in the community pharmacy sector invited to join the NHS Wales Pension Scheme and for the cost of this to be included in the primary care budget for 2024-25.

Insurance: The Welsh Government has provided pharmacists in the community pharmacy sector the opportunity to become independent prescribers and from 2026 onward all new pharmacists will be qualified as independent prescribers. From an indemnity insurance perspective, the increased risk from prescribing will result in significantly higher insurance premiums the cost of which will act as a barrier to progress. CPW feel that, in line with their GP colleagues, all prescribing activity should be insured via the Welsh Risk Pool.

Part 3: Conclusion

This is a time of significant opportunity for community pharmacies in Wales and also a time of significant risk to their viability. CPW would ask the Committee to ensure that Welsh Government has recognised both the risks and opportunities in its budget planning for 2024-25.

CPW agree that the content of this response can be made public.

CPW welcome communication in either English or Welsh.



For acknowledgement and further Contact:

Russell Goodway
Chief Executive
Community Pharmacy Wales
3rd Floor, Caspian Point 2
Caspian Way
CARDIFF, CF10 4DQ
Tel: [REDACTED]
E-Mail [REDACTED]

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 05 : Ymateb gan: Cyngor Bwrdeistref Sirol Blaenau Gwent
(Saesneg yn unig) | Response from: Blaenau Gwent County Borough Council
(English only)**

-



Draft response to Chair and Members of the Finance Committee

Dear Chair and Members,

I submit the following evidence on behalf of Blaenau Gwent County Borough Council in relation to the current allocation of Welsh Government's Budget 2024-2025. As background, Blaenau Gwent has the second smallest local authority population in Wales, it is only 15 miles long and 8 miles wide. Results of the Census 2021 show that the resident population of Blaenau Gwent is 66,900, which is a decrease of 4.2% from the 2011 Census when the population was 69,800, this is the highest decline in Wales, much of this decline is working aged people aged 15-64 years old. The Council continues to be the largest employer within the borough, employing 2,953 people (including school-based staff), the vast majority of whom also live in the borough. Deprivation and poverty still persist within the area, we have the highest number of children in low-income families in Wales, with relative poverty at 32.2% and absolute poverty at 21.9%.

Our deprivation and ageing population coupled with the cost-of-living crisis is resulting in increasing demand for services / support, whilst inflation and high energy costs is resulting in higher costs to deliver services. In relation to our funding in 2022/23 our Aggregate External Finance increased by 8.67% whilst costs on average increased by 13%, we expect to see a similar trend for the current financial year. The AEF for Blaenau Gwent increased by 6.5% in 2023/24 the lowest in Wales compared to the Welsh average of 7.9%, based on cost increases this resulted us in having to find £6 million savings (cuts) in 2023/24.

Blaenau Gwent believes the current Standard Spending Assessment (SSA) is flawed which enables those prosperous areas with greater population numbers, greater businesses, and well-paid jobs to gain at the detriment of those more deprived areas with reducing populations, less businesses and lower paid jobs.

The Welsh Local Government has considered the changes of funding distribution of the SSA between 2008/9 to 2023/4, Appendix 1 shows during this period Blaenau Gwent's SSA funding is 12% less than the average compared to Cardiff City Council which saw an increase of 16.8% above the average, a 28% swing between some of the wealthiest and poorest communities in Wales.

Blaenau Gwent Aggregate External Funding equates to 79.1% and Council tax 20.9% of the Council's budget. This is further exacerbated by our Council Tax Bands, Blaenau Gwent has 83% of properties in tax band A&B, as comparison Monmouthshire has 9% whilst the Welsh average is 35%. Therefore, we experience a 'gearing effect', which puts an unfair burden on a smaller proportion of the higher bands of Council taxpayers. So, for example the Council taxpayer on average living in a band D property in Cardiff pays £1,418 per annum whilst in Blaenau Gwent they will pay £2,078 per annum a difference of £662. This means the authority has little means of plugging the gap through increasing Council tax to meet any gap in funding within the Aggregate External Finance. A 1% increase in Council tax in Cardiff can

generate £1.6m additional income, a 1% increase in Blaenau Gwent generates £330K additional income.

In Gwent over the last 12 months, the Public Services Board has moved from 5 localities partnerships into one combined body, which brings together the 5 Local Authorities of Gwent, the Police Service, and the Health Board and other public and community organisations. The Board has adopted Sir Michael Marmot's 8 principles towards a Fairer Society. The Marmot report to achieve a fairer Gwent sets out 192 recommendations, all of which need to be addressed to make the changes we need to make with and for our communities. A great deal of this work has been discussed in the context of 'health inequalities.' Whilst this is an important framework it can distract from where good health and wellbeing occurs and therefore look to health services for the answers. When in fact good health starts outside of hospital waiting rooms and GP surgeries and we need to look to the wider determinants of health to deliver a Fairer, Safer, Stronger Gwent.

So, working with the Institute of Health Equity they have been able to look at some of the key indicators of inequality throughout Gwent and this clearly shows the impact that inequality is having on Blaenau Gwent and unless something radically changes Blaenau Gwent is going to continue to be in this position for many years to come. We will never be able to address deprivation and poverty unless the SSA formula puts more weight on these factors than the current formula does.

The following Appendices provide evidence and statistics showing the impact that deprivation has on Blaenau Gwent compared to our neighbouring authorities.

Appendix 2 clearly shows the life expectancy of women and men across Gwent with Blaenau Gwent firmly at the bottom and Monmouthshire at the top. In fact, all but Monmouthshire are above the Welsh average life expectancy. Disturbingly we can see prior to the pandemic there was a reduction in life expectancy of woman in the area which is disturbing.

Appendix 3 show that all our wards across Blaenau Gwent are below the Welsh average life expectancy for both men and women.

Appendix 4 also shows that all our wards are above the Welsh average for chronic health conditions – which pulls heavily on our services more than other areas.

Appendix 5 again shows all our wards are above the Welsh average in people lacking a qualification compared to other authorities.

Appendix 6 show performance of those pupils eligible for FSM's and non-FSM's again we are below the Welsh average on both, although the information is based on 2018/19 figures and we believe we have made good progress in this area over recent years.

Appendix 7 is one of the most telling figures, we are the lowest in Gwent by a distance and way behind the Welsh average in jobs per resident compared to our neighbouring authorities.

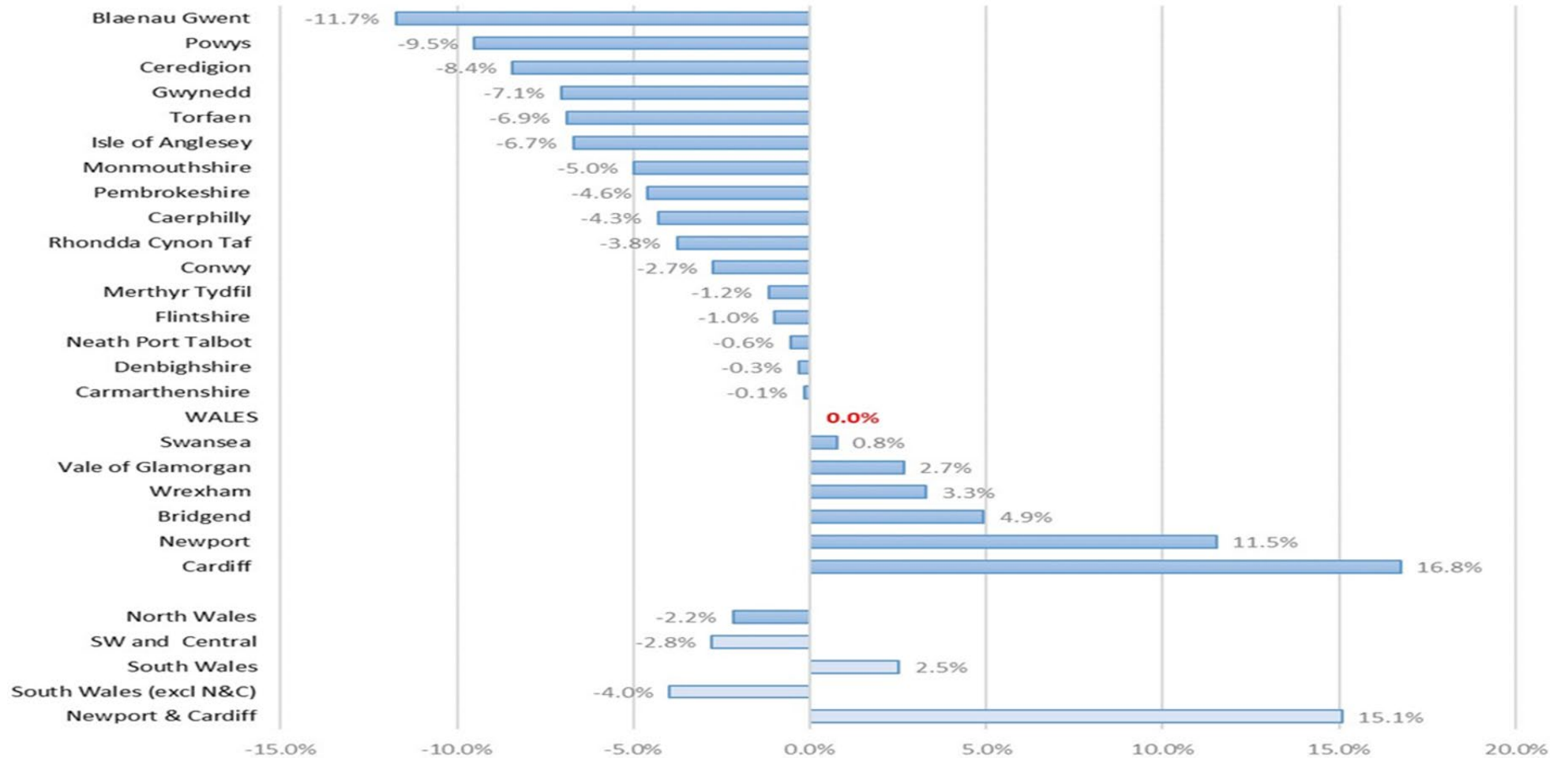
Appendix 8 shows the change in those economically inactive who want a job between 2010 and 2022, a significant reduction for Blaenau Gwent and Torfaen

Appendix 9 shows the percentage of staff earning below the National Living Wage, the largest in Gwent and above the Welsh average.

Appendix 10 shows a larger percentage of our workforce travel to work than other Gwent authorities, less likely to work from home and close to the Welsh average in terms of walking to work and other methods of travel.

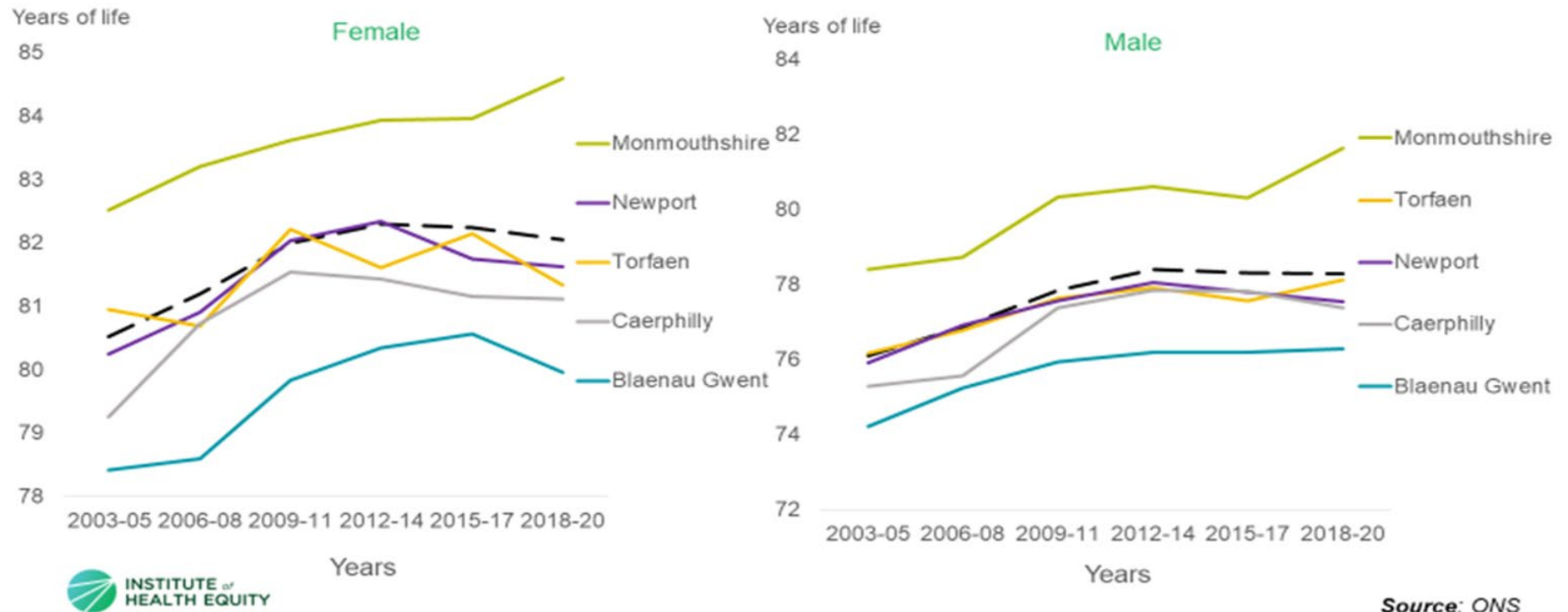
In conclusion Blaenau Gwent based on its Council tax banding is more dependent on the Aggregate External Funding from Welsh Government than other authorities across Wales. In addition, we feel the current Standard Spending Assessment formula is not putting enough emphasis or weighting for deprivation which as a result in not enabling us to improve the lives of our residents and communities to reduce deprivation and poverty in Blaenau Gwent. We also because of our Council tax banding are putting an unfair burden on those residents living in properties in bands C and above. To improve inequalities and deprivation we require good healthy inward investments and appropriate Aggregate External Funding to be able to turn things around rather than see the area and our community's further decline.

Appendix 1 Changes in SSA (relative to the Wales increase of 55%) from 2008-09 to 2023-24



Appendix 2

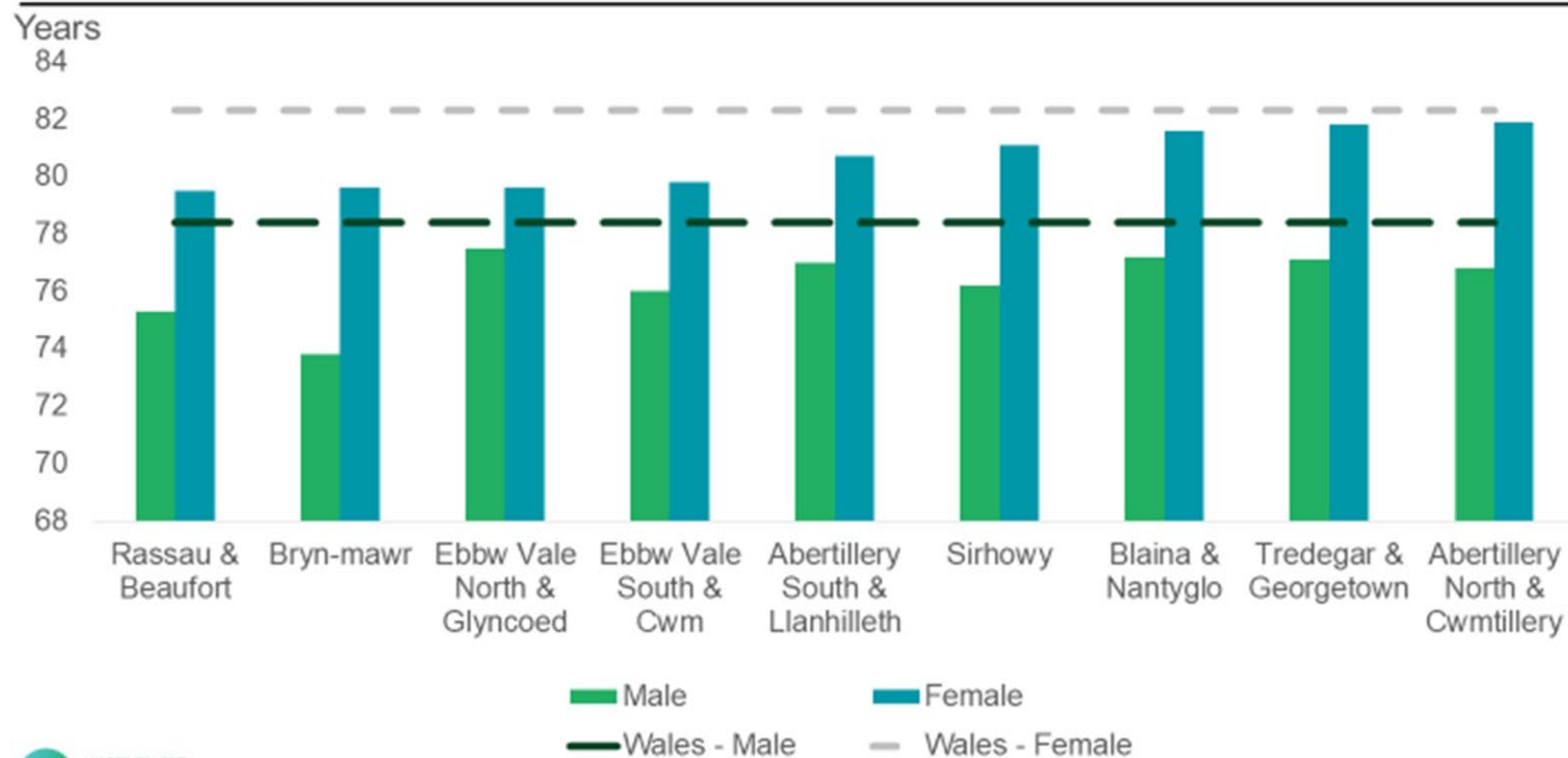
Trend in life expectancy, Gwent local authorities and Wales, 2003-05 to 2018-20



Source: ONS

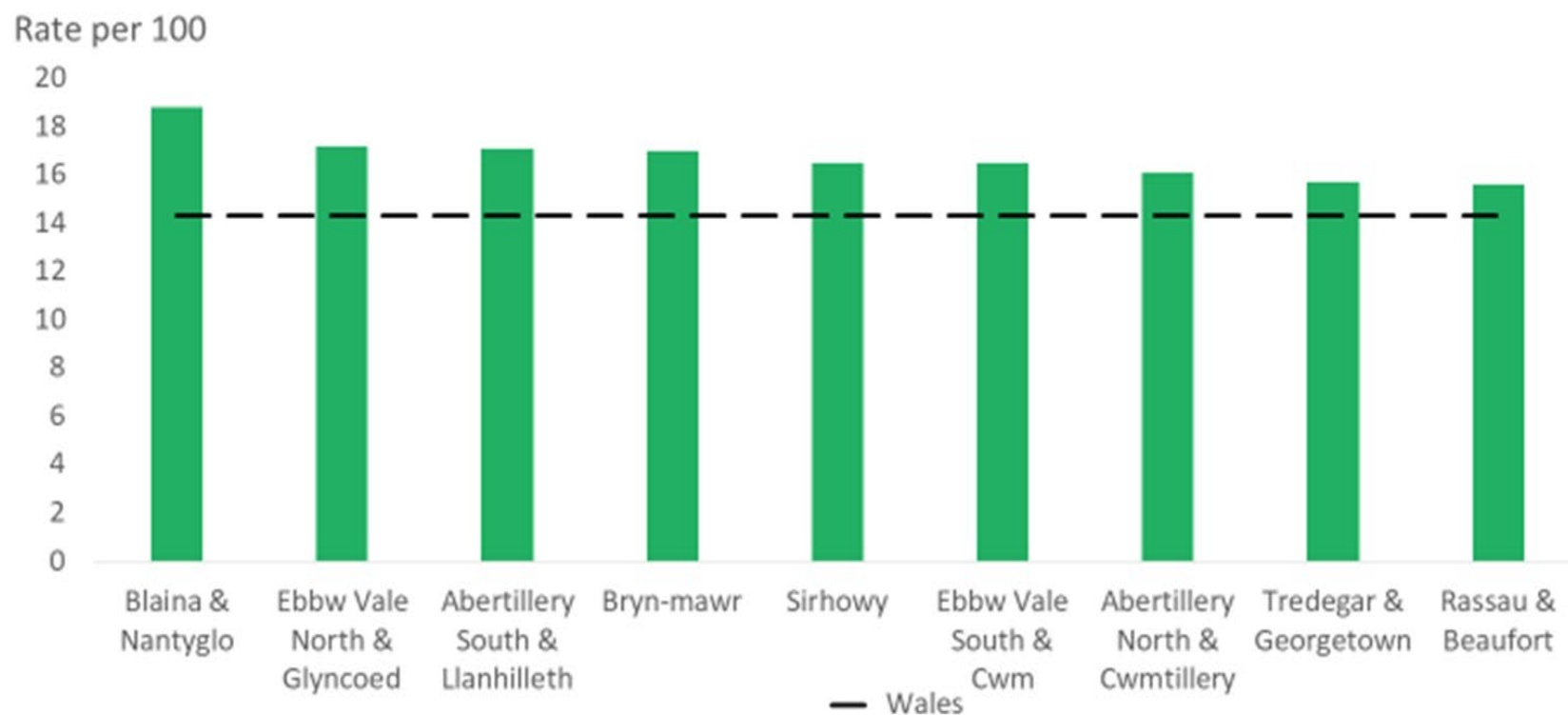
Appendix 3

Life expectancy, Blaenau Gwent wards and Wales, 2013-17



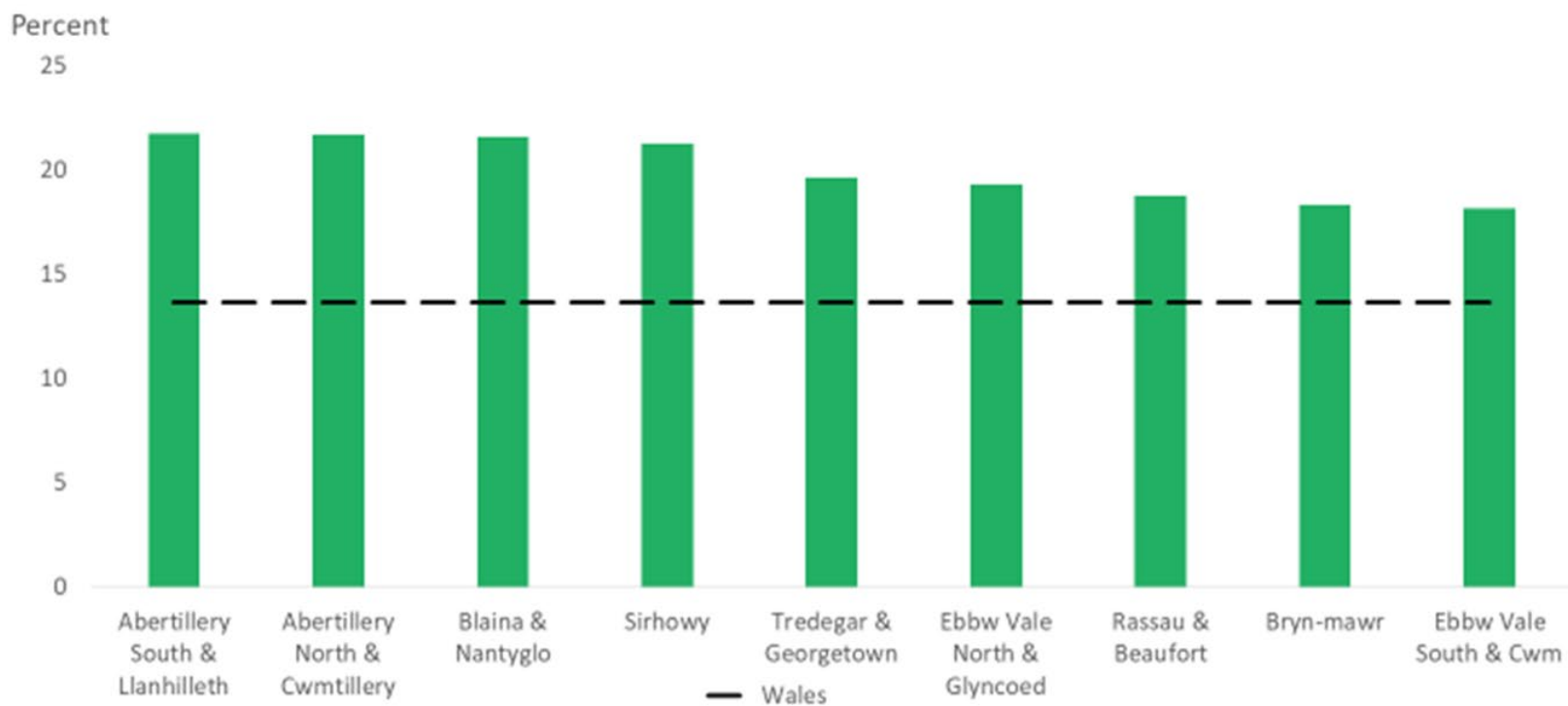
Appendix 4

Rate per 100 population, GP recorded chronic health conditions*, Blaenau Gwent Middle Super Output Areas (MSOAs) and Wales, 2019



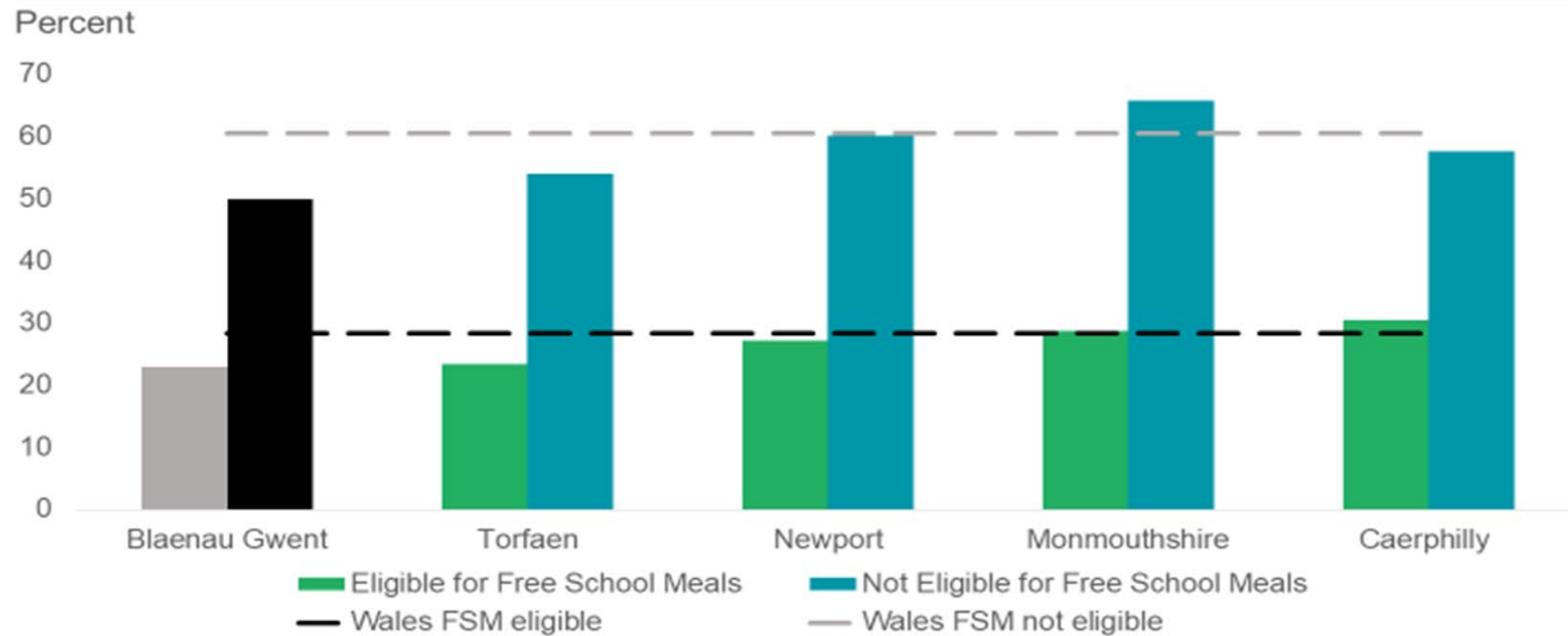
Appendix 5

Percent of population aged 16-64 with no qualifications, Blaenau Gwent MSOAs and Wales, 2021 (not age-standardised)



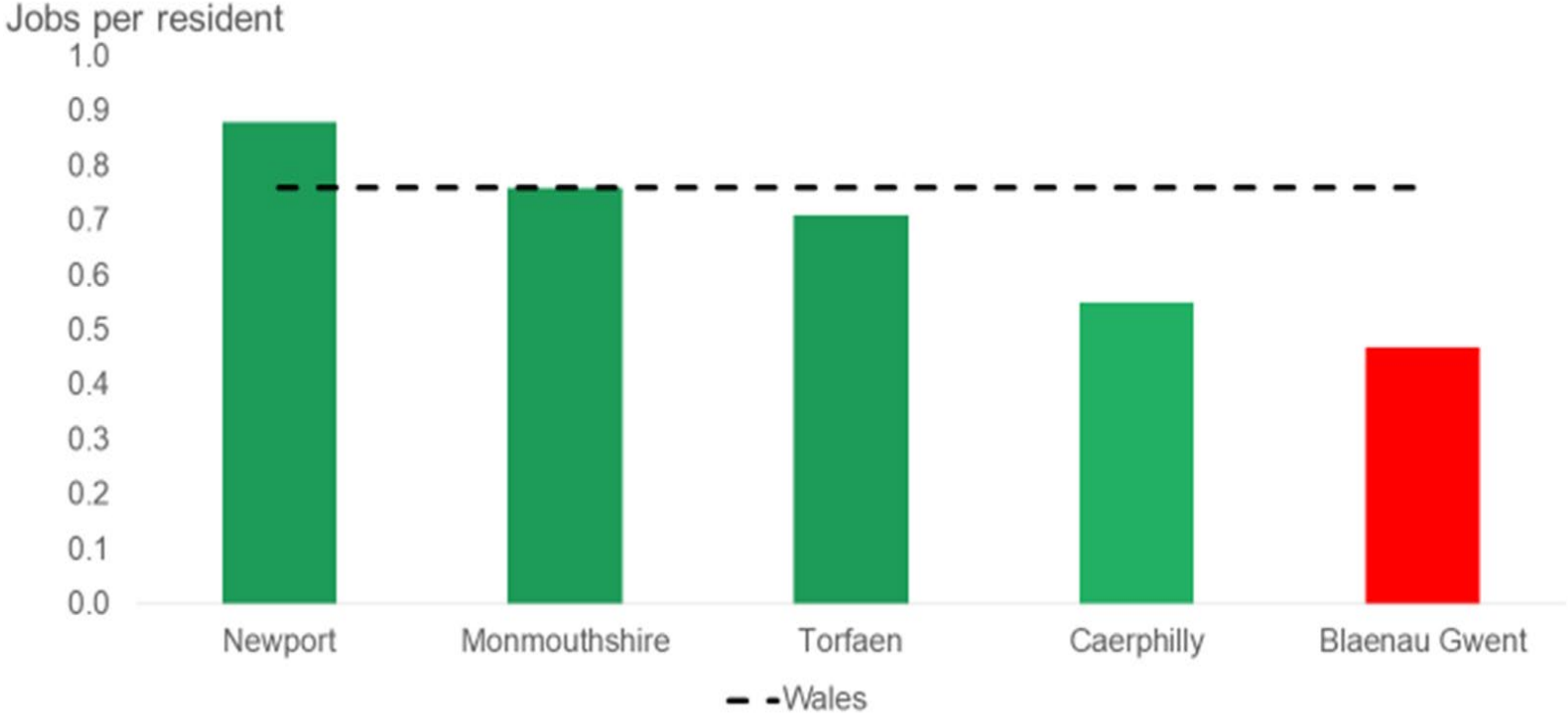
Appendix 6

Percent of pupils achieving 5 GCSEs A* - C including English or Welsh, and Mathematics, Gwent local authorities and Wales, 2018/19



Appendix 7

Jobs per resident, Gwent local authorities and Wales, 2020



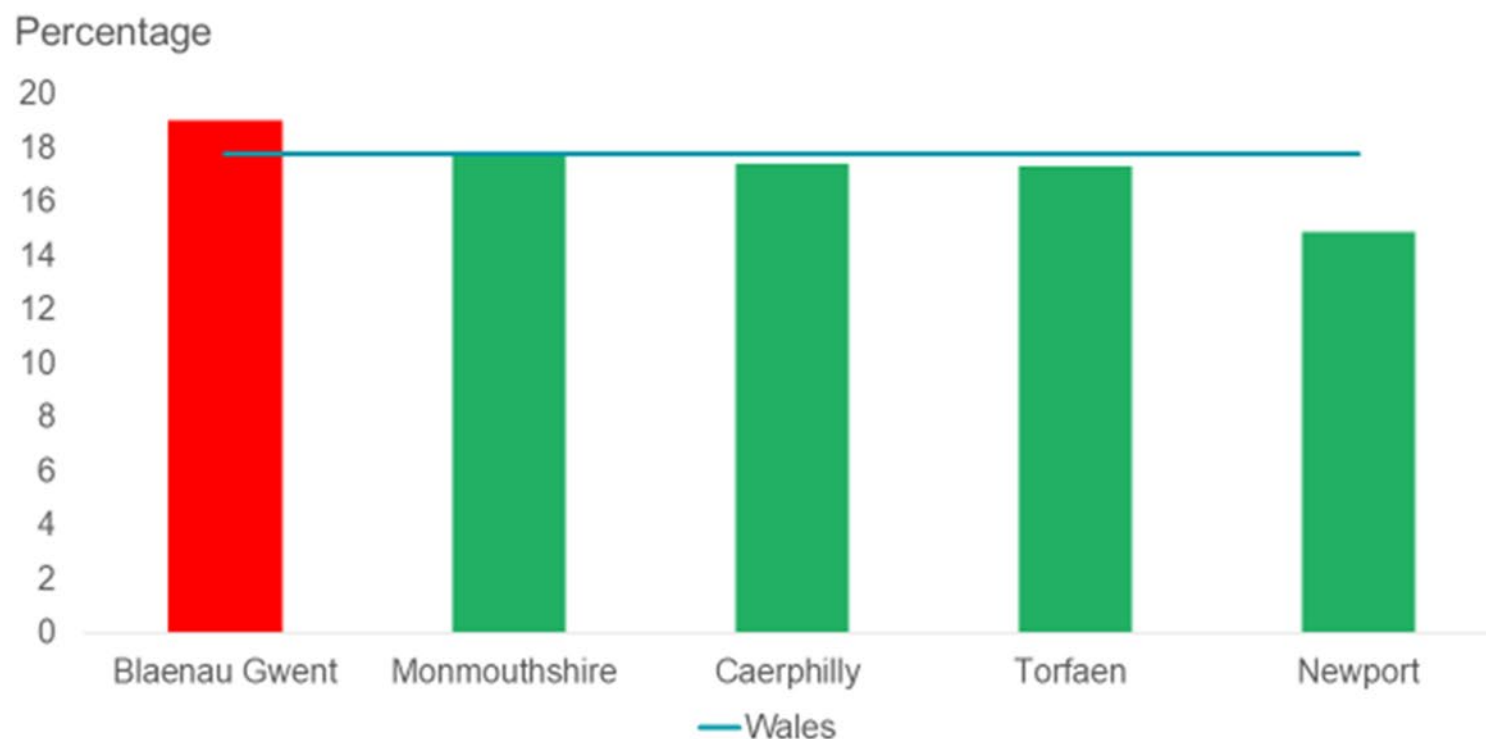
Appendix 8

% of economically inactive who want a job, Gwent local authorities and Wales, 2010 and 2022.

	2010	2022	Percentage difference
Blaenau Gwent	24.8	11.3	-57.9%
Caerphilly	29.2	20.4	-30.1%
Monmouthshire	24.9	13.9	-44.1%
Newport	29.1	24.2	-16.8%
Torfaen	24.8	11.3	-54.4%
Wales	25	16.9	-32.4%

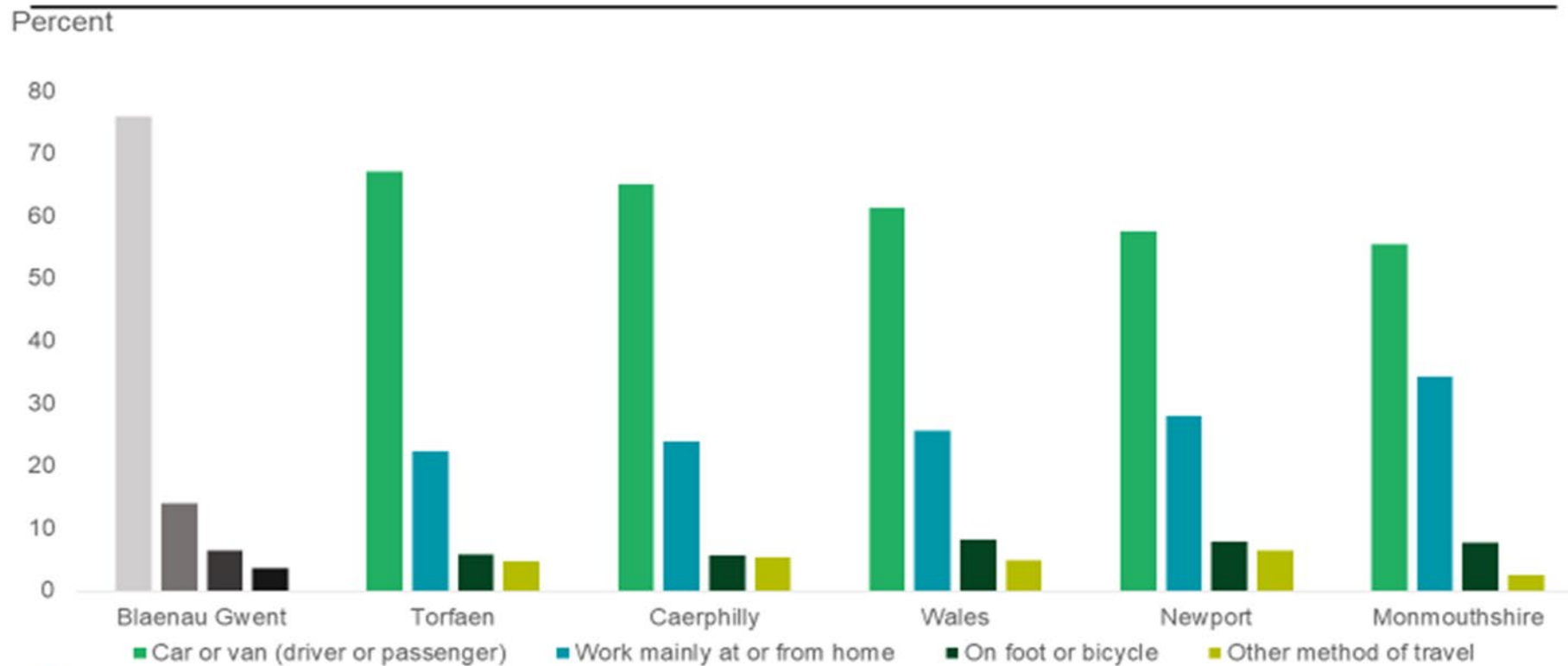
Appendix 9

Employees earning below the living wage*, Gwent local authorities and Wales, 2020-2021



Appendix 10

Percent of all travelling to work, by method of travel, Gwent local authorities and Wales, 2021



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 06 : Ymateb gan: Cymdeithas Ddysgedig Cymru (Saesneg yn unig) |
Response from: The Learned Society of Wales (English only)





CYMDEITHAS DDYSGEDIG CYMRU THE LEARNED SOCIETY OF WALES

Response to the Senedd Finance Committee's inquiry into the Welsh Government draft budget 2024–25 24 November 2023

1. The Learned Society of Wales is the national academy for arts and sciences. Our Fellowship brings together experts from across all academic fields and beyond. We use this collective knowledge to promote research, inspire learning, and provide independent policy advice.
2. We welcome the opportunity to submit information to the Senedd's Finance Committee in advance of Welsh Government tabling its draft 2024–25 budget proposals later this year.
3. We appreciate that high inflation, the cost-of-living crisis, and tightened budgets necessitate difficult funding decisions, but research, development and innovation funding is not a luxury – it is a proven lever for economic growth and the activities it supports contribute to solving the significant challenges that society faces.
4. The Learned Society of Wales recently commissioned an analysis of all the impact case studies submitted from Welsh universities to the Research Excellence Framework 2021¹. The report includes multiple findings that underscore the depth and breadth of the vital contributions made by Welsh university research. For example, 70% of the reported research has had a direct impact within Wales. A quarter of the research impact benefitted children and young people, with a total of 25 different groups of people benefiting, from families to carers, policy-makers to the elderly. On the economic front, a third of the case studies illustrated the tangible financial outcomes of Welsh research, including job creation and income generation showing how our universities, working with industry partners, can fuel economic progression. When considering partnership working, 94% of the case studies underlined the role of external partnerships, from international organisations to charities, and business to government. The report also identifies the significant drive towards improving processes and practices, with 85% of the case studies citing enhancements in key sectors, notably health, education, and public administration.
5. In November 2021, the Welsh Government published their five priorities for research, development and innovation². To achieve their priority of addressing historic underfunding from external sources, the Welsh Government's budget for 2024-25 should recognise the vital importance of the core research funding that only they can provide through HEFCW (CTER as of 1 April 2021).

¹ [Learned Society of Wales showcases the transformative power of Welsh university research - The Learned Society of Wales](#)

² [Written Statement: Five priorities for research, development and innovation \(23 November 2021\) | GOV.WALES](#)

6. Research funding in the UK is provided via the 'dual support system' which includes two separate but intertwined funding streams; Competitive project funding from external sources, and funding provided by the national funding bodies (HEFCW in Wales). The funding from bodies such as UKRI, charities, industry or other government agencies is for defined, time-limited research projects and is highly competitive amongst all UK institutions. The research funding provided by funding bodies such as HEFCW is called Quality Research (QR) funding, and provides a source of un-hypothecated funding to enable institutions to invest in the underpinning infrastructure needed to support bids for competitive funds. It is therefore the investment that ensures that Welsh universities have the capacity and agility to compete with universities across the UK for a share of research investment from external sources.
7. The UK government has committed to protecting the growth of research and innovation investment. 2022 saw the UK Government recommit to investing £20 billion a year by 2024-25 in Research and Development activity, representing an increase in spending of 35% from the 2021-22 levels. UKRI budget allocations for 2023-24 to 2024-25 totalled in excess of £17.2 billion. In 2020-21, UKRI invested £125 million in the Welsh research and innovation sector, roughly 1.4% of the total allocation.³ It is therefore it is crucial that sufficient levels of funding are invested by the Welsh Government to ensure competitiveness.
8. Core funding allocations in the Welsh sector have lagged behind the rest of the UK in the past. Additional one-off funding in 2021-22 saw Wales catch up with other nations, but in 2022-23, QR and the Research Wales Innovation Fund have seen no real-terms uplift, and remain at £81.7 million and £15 million respectively. In England, Research England increased their QR budget by 10% in 2022-23 and again by 10% in 2023-24; the Higher Education Innovation Fund (HEIF) also increased by 13% in 2022-23. This creates a significant challenge for Welsh universities as they transition towards a more competitive funding environment. Higher Education research in Wales needs to remain competitive with that in England, in order to draw down funding from UK-wide funding rounds.
9. Furthermore, the loss of structural funds is a major concern for research and innovation in Wales. Structural funds have supported the development of research capacity from a comparatively low base – in terms of both talent and infrastructure – and have increased Wales's collaborative potential. The UK Shared Prosperity fund has not provided an equivalent replacement programme of funding, which makes core funding even more crucial to help maintain Wales's research base.

For further information please contact lsw@wales.ac.uk

³<https://public.tableau.com/app/profile/uk.research.and.innovation.ukri/viz/GeographicalDistributionofUKRISpendin2019-20and2020-21/UKRISpend>

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 07 : Ymateb gan: Cymdeithas Alzheimer's Cymru | Response from: Alzheimer's Society Wales



Owain Roberts
Clerc, Pwyllgor Cyllid y Senedd
Senedd Cymru
Bae Caerdydd
Caerdydd
CF99 1SN

Drwy e-bost: SeneddFinance@Senedd.Wales

Dydd Llun, 20^{ain} o Dachwedd

Annwyl Owain,

Cyflwyniad Alzheimer's Society Cymru: Ymgynghoriad Pwyllgor Cyllid y Senedd ar gynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25

Mae Alzheimer's Society Cymru yn croesawu'r cyfle i ymateb i ymgynghoriad y Pwyllgor Cyllid ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25 cyn y cyhoeddir y Gyllideb ddrafft fanwl ym mis Rhagfyr.

Alzheimer's Society yw prif elusen ddementia'r Deyrnas Unedig. Darparwn wybodaeth a chymorth, rydym yn gwella gofal, rydym yn ariannu ymchwil, ac yn creu newid parhaol i bobl sy'n byw â dementia yng Nghymru, Lloegr, a Gogledd Iwerddon. Ein cenhadaeth yw creu cymdeithas lle y caiff y rheiny sy'n byw â dementia eu cynorthwyo i fyw'n annibynnol yn eu cymunedau, gan sicrhau eu bod yn teimlo eu bod yn cael eu gwerthfawrogi a'u bod yn gallu cael at ofal o ansawdd sy'n canolbwyntio ar yr unigolyn sy'n diwallu'u hanghenion unigol.

Mae'n rhaid i ddementia fod yn flaenoriaeth i Lywodraeth Cymru i ddiwallu anghenion y nifer cynyddol o bobl sy'n byw â diagnosis o ddementia. Rydym yn bartner allweddol gyda datblygu a monitro'r gwaith o weithredu Cynllun Gweithredu Llywodraeth Cymru ar gyfer Dementia, ac rydym yn gweithio gyda chyrrff y GIG a rhanddeiliaid eraill i wella gwasanaethau dementia trwy gydgyhyrchu â'r rheiny sydd â phrofiad wedi'i fyw.

Mae ansawdd gwasanaethau dementia cenedlaethol yn allweddol i ddiwallu anghenion y 50,000 o bobl sy'n byw â dementia yng Nghymru, a daroganir y bydd yn codi 70% i fwy na 79,000 o bobl erbyn 2040¹.

Gyda nifer y bobl sy'n byw â dementia yn codi, llai o gynhwysedd mewn gwasanaethau gofal iechyd a system gofal cymdeithasol sy'n dibynnu ar ofalwyr di-dâl, mae Alzheimer's Society Cymru yn

¹ Raphael Wittenberg, Bo Hu, Luis Barraza-Araiza, Amritpal Rehil, Canolfan Bolisi a Gwerthuso (CPEC) yn Ysgol Economeg a Gwyddor Wleidyddol Llundain (LSE), Rhagamcaniadau o bobl hŷn sydd â dementia a chostau gofal dementia yn y Deyrnas Unedig, 2019–2040 (2019). Ar gael yn: https://www.alzheimers.org.uk/sites/default/files/2019-11/cpec_report_november_2019.pdf



**Alzheimer's
Society
Cymru**

Gyda'n gilydd, byddwn yn cynnig help
a gobaith i bawb sy'n byw gyda dementia
Together we are help & hope
for everyone living with dementia

Alzheimer's Society Cymru
Rhan llawr 1 af/Part 1st Floor
Ty Millgrove/Millgrove House,
Parc Ty Glas, Llanishen,
Caerdydd/Cardiff, CF14 5DU
alzheimers.org.uk

pwysleisio'r angen i Bwyllgorau'r Senedd roi ystyriaeth neilltuol i anghenion pobl sy'n byw â dementia wrth graffu ar y Gyllideb Ddrafft ar gyfer 2024-25, yn neilltuol yng nghyd-destun poblogaeth sy'n heneiddio.

Yn neilltuol, amlygwn y pwysigrwydd o barhad mewn cyllid ar gyfer gweithredu Cynllun Gweithredu Llywodraeth Cymru ar gyfer Dementia (y Cynllun Gweithredu) ac ar gyfer yr ymgynghoriad gofynnol ar Gynllun Gweithredu newydd yn ystod 2024, dyraniad uwch o arian ar gyfer yr Adran Iechyd a Gwasanaethau Cymdeithasol ac ar gyfer mwy o gyllid i lwybrau diagnosis, a gânt eu hamlinellu'n fanylach isod.

Gweithredu Cynllun Gweithredu Llywodraeth Cymru ar gyfer Dementia

Ategir gweithrediad Cynllun Gweithredu cyfredol Llywodraeth Cymru gan £12 miliwn o gyllid blynyddol i Fyrddau Partneriaethau Rhanbarthol (RPBs) i sicrhau y caiff y ddarpariaeth ei hintegreiddio ledled gwasanaethau i ddiwallu anghenion poblogaethau lleol.

Gyda'r hinsawdd ariannol gyfredol yn gorfod esgor ar effeithlonrwydd mewn arbedion oherwydd chwyddiant a phandemig y clefyd COVID-19, mae Alzheimer's Society Cymru yn amlygu'r pwysigrwydd o ddiogelu'r cyllid blynyddol gwerth £12 miliwn ar gyfer Byrddau Partneriaethau Rhanbarthol, yn neilltuol gan fod y galw am wasanaethau dementia yn parhau i gynyddu yn unol â chyffredinrwydd cynyddol dementia ledled y Deyrnas Unedig. Rydym hefyd yn ymwybodol o'r angen i sicrhau bod cyllid yn cael ei gynyddu lle y bo'n bosibl i wrthbwysio effaith chwyddiant a chostau uwch darparu'r gwasanaeth, a byddem yn croesawu rhagor o fanylion am unrhyw gynlluniau i adolygu cyllid blynyddol ar gyfer gweithredu'r Cynllun Gweithredu.

Gwnaed ymrwymiad gan Lywodraeth Cymru i gyhoeddi Cynllun Gweithredu newydd yn 2024. Bydd yn bwysig i sicrhau y caiff cyllid digonol ei ddyrannu i ganiatáu ymgynghori cydnerth ar y Cynllun Gweithredu newydd o fewn Cyllideb 2024/25, a ddylai gynorthwyo ymglymiad a chyfranogiad pobl yr effeithir arnynt gan ddementia, gweithwyr proffesiynol ym maes iechyd a gofal cymdeithasol, a'r trydydd sector, fel rhan o wneud dementia yn flaenoriaeth yng Nghymru.

Cyllid ar gyfer yr Adran Iechyd a Gwasanaethau Cymdeithasol: Byrddau Iechyd Lleol

Mae Alzheimer's Society Cymru yn croesawu'r £407.3 miliwn o gynnydd net fel rhan o Brif Grŵp Gwariant (MEG)² Iechyd a Gwasanaethau Cymdeithasol ar gyfer 2023-24. Er bod Llywodraeth Cymru wedi dynodi y defnyddir y cyllid ychwanegol i gynorthwyo i gyflenwi 'Gwasanaeth Craidd y GIG', ac mae manylion dyraniadau i Fyrddau Iechyd Lleol (LHBs)³ wedi'u darparu, rydym yn awyddus

² Llywodraeth Cymru, Cyllideb Ddrafft 2023-24 Llywodraeth Cymru, Tystiolaeth Ysgrifenedig Gweinidogion i Bwyllgorau Craffu'r Senedd ar ddyraniadau o fewn pob un MEG (2022). Ar gael yn:

<https://www.gov.wales/sites/default/files/publications/2023-02/ministers-written-evidence-to-senedd-scrutiny-committees-2023-2024-v1.pdf>

³ Llywodraeth Cymru, Datganiad Ysgrifenedig ar Ddyraniadau Byrddau Iechyd Lleol a Chyfansymiau Rheoli Targedau (2023). Ar gael yn: https://www.gov.wales/written-statement-lhb-allocations-and-target-control-totals?utm_source=rss-announcements&utm_medium=rss-feed&utm_campaign=announcements-Written+Statement%3A+LHB+Allocations+and+Target+Control+Totals

i gyllid ar gyfer gwasanaethau dementia gael ei ddiogelu cymaint â phosibl, gan fod Byrddau Iechyd Lleol yn gweithio i fynd i'r afael â diffygion gwaelodol yn unol â rheolau targed.

Bydd diogelu gwasanaethau dementia yn helpu i sicrhau bod gan bobl sy'n byw â dementia fodd o gael at ofal a chymorth sy'n canolbwyntio ar unigolion, gan y gall unrhyw doriadau i wasanaethau rheng flaen arwain at gynnydd mewn pobl yn mynd i Adrannau Damweiniau ac Achosion Brys yn ddiangen, at ddiffyg modd o gael at ofal o ansawdd mewn lleoliadau yn y gymuned, ac arwahanrwydd, yn enwedig mewn cymunedau gwledig. Mae'n bwysig i gymorth priodol fod ar waith i gynorthwyo Byrddau Iechyd Lleol i gyflawni yn erbyn eu targedau rheoli unigol, ac y gellir ailgloriannu mesurau rheoli diffygion fel y bo'n briodol i ddiogelu gwasanaethau rheng flaen lle y bo'n angenrheidiol.

Cyllid ar gyfer yr Adran Iechyd a Gwasanaethau Cymdeithasol: Gofal Cymdeithasol

Bydd hi hefyd yn bwysig ailddechrau rhaglen Ailgydbwysu Gofal a Chymorth Llywodraeth Cymru ac er mwyn parhad mewn cyllid ar gyfer y broses ymgynghori tuag at ddatblygu Gwasanaeth Gofal a Chymorth Cenedlaethol i Gymru. Mae'r system gofal cymdeithasol yn parhau mewn sefyllfa nad yw'n cael digon o adnoddau, gyda nifer uchel o swyddi gwag heb eu llenwi, diffyg datblygiad gyrfa a hyfforddiant, a dibyniaeth ar staff asiantaethau sy'n arwain at gostau uwch o ran gweithlu. Mae Arolwg Y Gweithlu Gofal Cymdeithasol yng Nghymru 2023 yn nodi bod 5,323 o swyddi gwag heb eu llenwi, sy'n cynrychioli 9% o gyfanswm y gweithlu⁴, gan amlygu'r angen am werth cyfartal a chydaddoldeb cyllid gyda'r GIG ar gyfer adnoddau, hyfforddiant a chymwysterau.

Byddem hefyd yn croesawu rhagor o fanylion am unrhyw gyllid a ddyrannwyd i Awdurdodau Lleol i wella cadw gafael ar y gweithlu a chyfleoedd hyfforddi ar gyfer gweithwyr gofal cymdeithasol, ac i wella modd o gael at gymorth i ofalwyr di-dâl sydd, gyda'i gilydd, yn darparu gwerth £10.1 biliwn o ofal i'r economi yng Nghymru⁵.

Cyllid ar gyfer Llwybrau Diagnosis

Rydym hefyd yn awyddus am unrhyw ddiweddariad ar gynnydd y buddsoddiad £25 miliwn i wella seilwaith diagnosis ac argaeledd Peiriannau Sganio PET-CT, fel a gyhoeddwyd ym mis Medi 2021⁶. Bydd y peiriannau sganio newydd yn hanfodol i wella modd o gael at wasanaethau diagnosis cenedlaethol, cynyddu cyfradd genedlaethol diagnosis o ddementia a hwyluso mynediad at ofal a chymorth ar ôl diagnosis i bobl sy'n byw â dementia.

⁴ Gofal Cymdeithasol Cymu, Dengys adroddiad newydd fod bron i 85,000 o bobl yn gweithio yn y sector gofal cymdeithasol yng Nghymru (2023). Ar gael yn: <https://socialcare.wales/news-stories/new-report-shows-almost-85-000-people-work-in-the-social-care-sector-in-wales>

⁵ Carers UK, Adroddiad Ymchwil Gwerthfawrogi Gofalwyr (2021). Ar gael yn: <https://www.carersuk.org/media/2d5le03c/valuing-carers-report.pdf>

⁶ Llywodraeth Cymru, Llywodraeth Cymru i fuddsoddi bron i £25 miliwn mewn pedwar peiriant sganio digidol newydd i gwtogi amseroedd aros ac i ddiwallu'r galw am y gwasanaeth (2021). Ar gael yn: <https://www.gov.wales/welsh-government-invest-nearly-ps25m-four-new-digital-scanners-cut-waiting-times-and-meet-service>

Er bod y Cynllun Gweithredu'n amlinellu cynlluniau i bennu targed i Fyrddau Iechyd Lleol i gynyddu cyfraddau diagnosis 3% y flwyddyn⁷, mae'r diffyg data diagnosis o ddementia cyson yn genedlaethol ac yn rhanbarthol yng Nghymru yn cyfyngu ar i ba raddau y gellir mesur cynnydd, a darpariaeth cymorth wedi'i dargedu lle y bo'i angen.

Mae Alzheimer's Society Cymru yn pwysleisio'r angen am gyllid ychwanegol penodedig i wella llwybrau diagnosis, a'r angen i gasglu a chyhoeddi data diagnosis rheolaidd o ddementia (yn cynnwys yn ôl is-deip) i gau'r bwlch diagnosis ac i wella mynediad at ofal o ansawdd ar ôl diagnosis.

Er ein bod yn ymwybodol o argaeledd cyfyngedig cyllid ychwanegol o ganlyniad i'r hinsawdd ariannol y mae'r holl Fyrddau Iechyd Lleol yn gweithredu ynnddi, a hwythau wedi mynd dros ben eu hawdurdod i wario⁸, byddem yn croesawu unrhyw ragor o fanylion am y pwyntiau a amlygir uchod. Mae'n hanfodol i wasanaethau dementia ddal i gael eu hariannu'n briodol drwy gydol y cyfnod cyllidebol nesaf ac i ddementia gael ei gydnabod fel blaenoriaeth i'r GIG.

Gadewch imi wybod, os gwelwch yn dda, am unrhyw gwestiynau mewn ymateb i'n cyflwyniad ysgrifenedig, a diolch am y cyfle i ymateb i Alwad y Pwyllgor am Wybodaeth.

Yr eiddoch yn gywir,



Laura Courtney
Rheolwr Dylanwadu Cenedlaethol – Cymru
Alzheimer's Society Cymru

⁷ Llywodraeth Cymru, Cynllun Gweithredu Cymru ar gyfer Dementia 2018-2022, tud.16 (2018). Ar gael yn: <https://www.gov.wales/sites/default/files/publications/2019-04/dementia-action-plan-for-wales.pdf>

⁸ Archwilio Cymru, Chwe bwrdd iechyd yn torri dyletswydd adennill costau ynghanol pwysau ariannol ehangach (2023) Ar gael yn: <https://www.wao.gov.uk/news/six-health-boards-breach-break-even-duty-amid-wider-financial-pressures>

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 07 : Ymateb gan: Cymdeithas Alzheimer's Cymru | Response from: Alzheimer's Society Wales





Gyda'n gilydd, byddwn yn cynnig help
a gobaith i bawb sy'n byw gyda dementia
Together we are help & hope
for everyone living with dementia

Owain Roberts
Clerk, Senedd Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

By email: SeneddFinance@Senedd.Wales

Alzheimer's Society Cymru
Rhan llawr 1 af/Part 1st Floor
Ty Millgrove/Millgrove House,
Parc Ty Glas, Llanishen,
Caerdydd/Cardiff, CF14 5DU
alzheimers.org.uk

Monday, 20th November

Dear Owain,

Alzheimer's Society Cymru Submission: Senedd Finance Committee Consultation on Welsh Government Draft Budget proposals for 2024-25

Alzheimer's Society Cymru welcomes the opportunity to respond to the Finance Committee's consultation on the Welsh Government's Draft Budget for 2024-25 in advance of the publication of the detailed draft Budget in December.

Alzheimer's Society is the UK's leading dementia charity. We provide information and support, improve care, fund research, and create lasting change for people living with dementia in Wales, England, and Northern Ireland. Our mission is to create a society where those living with dementia are supported to live independently in their communities, ensuring that they feel valued and can access quality person-centred care that meets their individual needs.

Dementia needs to be a priority for the Welsh Government to meet the needs of the growing numbers of people living with a diagnosis of dementia. We are a key partner in developing and monitoring the implementation of the Welsh Government's Dementia Action Plan and work with NHS Bodies and other stakeholders to improve dementia services through co-production with those with lived experience.

The quality of national dementia services is key to meeting the needs of the 50,000 people living with dementia in Wales, which is forecast to rise by 70% to above 79,000 people by 2040¹.

With the number of people living with dementia rising, reduced capacity in healthcare services and a social care system reliant on unpaid carers, Alzheimer's Society Cymru emphasises the need for Senedd Committees to take particular regard of the needs of people living with dementia when scrutinising the Draft Budget for 2024-25, particularly in the context of an ageing population.

¹ Raphael Wittenberg, Bo Hu, Luis Barraza-Araiza, Amritpal Rehil Policy and Evaluation Centre (CPEC) at the London School of Economics and Political Science (LSE), Projections of older people with dementia and costs of dementia care in the United Kingdom, 2019-2040 (2019) Available at: https://www.alzheimers.org.uk/sites/default/files/2019-11/cpec_report_november_2019.pdf

In particular, we highlight the importance of continued funding for the implementation of the Welsh Government's Dementia Action Plan (the Action Plan) and for the required consultation on a new Action Plan during 2024, increased allocation of funds for the Department of Health and Social Services and for increased funding for diagnosis pathways, which are outlined in more detail below.

Implementation of the Welsh Government's Dementia Action Plan

The implementation of the Welsh Government's current Action Plan is supported by £12m annual funding to Regional Partnership Boards (RPBs) to ensure delivery is integrated across services to meet the needs of local populations.

With the current fiscal climate necessitating Departmental savings efficiencies due to inflation and the COVID-19 pandemic, Alzheimer's Society Cymru highlights the importance of protecting the £12m annual funding for RPBs, particularly as demand for dementia services continues to increase in-line with the growing prevalence of dementia across the UK. We are also conscious of the need to ensure that funding is increased where possible to off-set the impact of inflation and the increased costs of service delivery, and would welcome further details around any plans to review annual funding for the implementation of the Action Plan.

A commitment has been made by Welsh Government to publish a new Action Plan in 2024. It will be important to ensure that sufficient funding is allocated to allow a robust consultation on the new Action Plan within the 2024/25 Budget which should support the involvement and participation of people affected by dementia, health and social care professionals, and the third sector as part of making dementia a priority in Wales.

Funding for the Department of Health and Social Services: Local Health Boards

Alzheimer's Society Cymru welcomes the £407.3m net increase as part of the Health and Social Services Main Expenditure Group (MEG)² for 2023-24. While the Welsh Government has indicated that the additional funding will be used to support the delivery of 'Core NHS Services', and details of allocations to Local Health Boards (LHBs)³ have been provided, we are eager for funding for dementia services to be protected as much as possible as LHBs work towards tackling underlying deficits in-line with target controls.

The protection of dementia services will help to ensure that people living with dementia have access to person-centred care and support, as any cuts to frontline services could lead to an increase in unnecessary A&E admissions, a lack of access to quality care in community settings and isolation,

² Welsh Government, Welsh Government Draft Budget 2023-24, Ministers' Written Evidence to Senedd Scrutiny Committees on allocations within each MEG (2022) Available at:

<https://www.gov.wales/sites/default/files/publications/2023-02/ministers-written-evidence-to-senedd-scrutiny-committees-2023-2024-v1.pdf>

³ Welsh Government, Written Statement on LHB Allocations and Target Control Totals (2023) Available at:

https://www.gov.wales/written-statement-lhb-allocations-and-target-control-totals?utm_source=rss-announcements&utm_medium=rss-feed&utm_campaign=announcements-Written+Statement%3A+LHB+Allocations+and+Target+Control+Totals

particularly in rural communities. It is important for appropriate support to be in-place to support LHBs to deliver against their individual target control targets and that deficit control measures can be re-assessed as appropriate to protect frontline services where necessary.

Funding for the Department of Health and Social Services: Social Care

It will also be important to resume the Welsh Government's Rebalancing Care and Support Programme and for continued funding for the consultation process towards developing a National Care and Support Service for Wales. The social care system continues to be under-resourced, with a high number of unfilled vacancies, a lack of career progression and training, and reliance on agency staff leading to higher workforce costs. The Social Care Wales Workforce Survey 2023 identifies 5,323 unfilled vacancies, representing 9% of the total workforce⁴, highlighting the need for equal value and parity of funding with the NHS for resourcing, training and qualifications.

We would also welcome further details on any funding allocated to Local Authorities to improve workforce retention and training opportunities for social care workers, and to enhancing access to support for unpaid carers who collectively provide £10.1bn worth of care to the economy in Wales⁵.

Funding for Diagnosis Pathways

We are also eager for any update on the progress of the £25m investment to improve diagnosis infrastructure and availability of PET-CT Scanners as announced in September 2021⁶. The new scanners will be vital to enhancing access to national diagnosis services, increasing the national dementia diagnosis rate and facilitating access to post-diagnosis care and support for people living with dementia.

Whilst the Action Plan outlines plans to set Local Health Boards a target to increase diagnosis rates by 3% per year⁷, the lack of consistent national and regional dementia diagnosis data in Wales limits the extent to which progress can be measured, and the delivery of targeted support where needed.

Alzheimer's Society Cymru emphasise the need for dedicated additional funding to improve diagnosis pathways, and for the collection and publication of regular dementia diagnosis data (including by sub-type) to close the diagnosis gap and improve access to quality post-diagnosis care.

⁴ Social Care Wales, New report shows almost 85,000 people work in the social care sector in Wales (2023) Available at: <https://socialcare.wales/news-stories/new-report-shows-almost-85-000-people-work-in-the-social-care-sector-in-wales>

⁵ Carers UK, Valuing Carers research report (2021) Available at: <https://www.carersuk.org/media/2d51e03c/valuing-carers-report.pdf>

⁶ Welsh Government, Welsh Government to invest nearly £25m in four new digital scanners to cut waiting times and meet service demand (2021) Available at: <https://www.gov.wales/welsh-government-invest-nearly-ps25m-four-new-digital-scanners-cut-waiting-times-and-meet-service>

⁷ Welsh Government, Dementia Action Plan for Wales 2018-2022, p.16 (2018) Available at: <https://www.gov.wales/sites/default/files/publications/2019-04/dementia-action-plan-for-wales.pdf>

While we are conscious of the limited availability of additional funding as a result of the fiscal climate that all Local Health Boards are operating within having exceeded their authority to spend⁸, we would welcome any further details on the points highlighted above. It is vital for dementia services to remain appropriately funded throughout the next Budgetary period and for dementia to be recognised as a priority for the NHS.

Please let me know of any questions in response to our written submission and thank you for the opportunity to respond to the Committee's Call for Information.

Yours sincerely,

A handwritten signature in black ink that reads "Laura Courtney". The signature is written in a cursive, flowing style.

Laura Courtney
National Influencing Manager – Wales
Alzheimer's Society Cymru

⁸ Audit Wales, Six health boards breach break even duty amid wider financial pressures (2023) Available at: <https://www.wao.gov.uk/news/six-health-boards-breach-break-even-duty-amid-wider-financial-pressures>

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 08 : Ymateb gan: Llamau | Response from: Llamau



Cyflwyniad Llamau i'r Pwyllgor Cyllid:

Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25

Cyflwyniad

Mae gwasanaethau digartrefedd a chymorth tai yng Nghymru yn wynebu pwysau sylweddol. Mae'r galw am wasanaethau Llamau wedi cynyddu'n sylweddol, ac rydym yn gweld cynnydd sylweddol yn nifer y bobl ifanc rydym yneu cefnogi sy'n cyflwyno anghenion cymorth cymhleth iawn. Mae ein cyllid ar gyfer 'Cymorth sy'n Gysylltiedig â Thai', ac eto mae'n rhaid i ni ddarparu cymaint mwy na hynny, nad yw wedi'i gynnwys yn y contractau presennol nac yn cael eu talu amdano. Mewn rhai achosion, y gwaith hwn sydd yn llythrennol yn cadw pobl sydd â hanes o hunan-niweidio difrifol, neu ymdrechion i gyflawni hunanladdiad, yn fyw.

Mae cost darparu gwasanaethau wedi cynyddu'n sylweddol, er nad oes unrhyw gynydd i'r Grant Cynnal Tai. Mae llawer o'n contractau'n cael eu talu rhwng 20% a 30% yn llai na'r gost wirioneddol ar gyfer ariannu'r gwasanaethau hyn, gan nad oeddent yn ystyried y cynnydd mewn chwyddiant. Rydym eisoes yn rhoi cymhorthdal i gontractau gwerth isel drwy ein gweithgareddau codi arian elusennol ein hunain, ond wrth i unigolion a busnesau brofi problemau costau byw tebyg, mae hwn wedi dod yn amgylchedd llawer mwy heriol.

Yn ogystal, mae comisiynwyr eisoes yn dweud wrthym fod ymyrraeth gynnar, atal, a gwasanaethau cymorth fel y bo'r angen dan fygythiad wrth iddynt ganolbwyntio ymdrechion ar wasanaethau argyfwng. Mae Llywodraeth Cymru wedi rhoi pwyslais i'w groesawu ar bwysigrwydd ymyrraeth gynnar i gyflawni'r uchelgais o wneud digartrefedd yn brin, yn fyr ac yn ddi-ail, ond unwaith y bydd y gwasanaethau hyn wedi'u colli, yn syml iawn, ni fydd y sector yn gallu bodloni nodau'r Papur Gwyn ar Derfynu Digartrefedd yng Nghymru.

Cynnydd yn y galw am wasanaethau:

Derbyniodd ein Llinell Gymorth Digartrefedd Ieuenctid y nifer uchaf o alwadau y mis diwethaf, cynnydd o 50% ers misoedd blaenorol, gan amlygu'r cynnydd yn nifer y bobl ifanc mewn argyfwng a phwysigrwydd gwasanaethau adnabod, atal ac ymyrryd yn gynnar.

Mae atgyfeiriadau wedi parhau i gynyddu ar gyfer lleoedd lloches ar draws Llamau, gyda 279 o atgyfeiriadau ar gyfer ein 64 o leoedd yn 2022/23 (cynnydd o 114 neu 69% ers y llynedd). Yn ystod y flwyddyn fe wnaethom gynyddu capasiti trwy agor 2 loches gwasgaredig (yn ardal Cyngor Bwrdeistref Sirol Merthyr Tudful). Roedd y galw am leoedd yn golygu nad oeddem yn gallu darparu ar gyfer 90 o atgyfeiriadau gan fod llochesi'n llawn, ac nid oedd 16 arall yn gallu cael cymorth yn y gofod a oedd ar gael oherwydd eu hanghenion cymorth a/neu faint y teulu.

Yn y gymuned, derbyniodd ein gwasanaethau Cymorth fel y bo'r Angen 475 o atgyfeiriadau, cynnydd o 20% o gymharu â'r flwyddyn flaenorol.

Llesiant a chadw staff

Mae recriwtio a chadw staff ar draws y sector yn hynod o anodd. Mae pobl yn gadael am swyddi llai straenus a chyflogau uwch mewn mannau eraill. Mae hyn wedi cael effaith sylweddol ar ein gallu i recriwtio a chadw staff. Yn ystod y flwyddyn ddiwethaf, rydym wedi gorfod defnyddio gweithwyr asiantaeth i lenwi swyddi gwag am y tro cyntaf. Mae costau gwneud hyn yn uchel iawn o gymharu â staff cyflogedig ac, o ystyried y galw cynyddol ar draws yr holl ddarparwyr cymorth, mae'n farchnad gystadleuol iawn.

Nid yw codiadau'r Cyflog Byw Cenedlaethol wedi'u cynnwys yn ein cyllid dan gontract, felly disgwylir i ni ddod o hyd i'r arian o rywle arall. Er ein bod yn croesawu'r cynnydd i gydweithwyr, nid oes gennym unrhyw arian ychwanegol i dalu amdano. Oherwydd yr argyfwng costau byw, mae ein staff ar y cyflogau isaf bellach yn profi'r un problemau â'r bobl rydym yn eu cefnogi, megis anallu i dalu biliau, fforddio siopau bwyd, neu dalu rhent.

Mae'r sefyllfa hon yn anghynnaladwy. Rhoddwyd cyllid i wasanaethau gofal yng nghylch cyllideb y llynedd i ddarparu cyflogau Cyflog Byw Gwirioneddol i staff, ond ni ddigwyddodd hyn ar gyfer gwasanaethau cymorth. Mae cyllidebau llinell sefydlog wedi arwain at ddatchwyddiant cyflog, a dyma brif achos y broblem recriwtio a chadw yn y sector.

Mae dull Llywodraeth Cymru o ymdrin â gwariant ataliol yn cael ei gynrychioli mewn dyraniadau adnoddau (Gwariant ataliol = gwariant sy'n canolbwyntio ar atal problemau ac yn lleddfu'r galw ar wasanaethau yn y dyfodol drwy ymyrryd yn gynnar).

Mae comisiynwyr yn dweud wrth y sector fod gwasanaethau atal mewn perygl gan fod angen iddynt ganolbwyntio arian ar ymyriadau mewn argyfwng oherwydd diffyg cyllid. Mae hon, yn ein barn ni, yn economi ffug gan fod y gwasanaethau ataliol ac ymyrraeth gynnar yn arbed arian yn y tymor hwy, fel y dengys yr enghreifftiau hyn:

- Gall cyfryngu atal y berthynas deuluol rhag chwalu mewn modd cynaliadwy a'r argyfwng costus o ddigartrefedd i berson ifanc; arbed dros £27,000 y person mewn costau llety â chymorth arbenigol.
- Dangosir yn gyson mai tor-perthynas teuluol yw prif ysgogydd digartrefedd ieuencid. Gall ymyrraeth gynnar wedi'i thargeddu fel ein gwasanaethau cyfryngu alluogi pobl ifanc i aros yn ddiogel yn eu cartref teuluol yn llwyddiannus; atal costau sylweddol llety dros dro amhriodol yn aml – dangoswyd ei fod wedi dyblu yng Nghymru yn y 5 mlynedd diwethaf i dros £40m.
- Mae cefnogi unigolyn i reoli ei iechyd meddwl yn well trwy ein gwasanaethau arbenigol fel cwnsela yn cael effaith ddofn ar eu hapusrwydd ac ansawdd

eu bywyd. Mae bron i £5 biliwn yn cael ei golli drwy lai o gynhyrchiant a chostau gofal iechyd yng Nghymru bob blwyddyn.

- Trwy hwyluso ail-ymgysylltu ag addysg ac atal gwaharddiad, gall ein gwasanaethau allgymorth EMPHASIS arbed tua £370,000 i'r wladwriaeth mewn addysg gydol oes, budd-daliadau, gofal iechyd a chostau cyfiawnder troseddol.

A yw'r cymorth a ddarperir gan Lywodraeth Cymru i sefydliadau trydydd sector, sy'n wynebu mwy o alw am wasanaethau o ganlyniad i'r argyfwng costau byw a'r pandemig, yn ddigonol?

Wrth adael y pandemig, rydym wedi gweld cynnydd yng nghymhlethdod anghenion a risg ar gyfer y bobl ifanc rydym yn eu cefnogi, gyda mwy o brofiad o drama ac anghenion iechyd meddwl a lles cysylltiedig. Mae hyn ar adeg pan fo cymorth gan asiantaethau eraill yn fwy anodd ei gyrchu.

Mae nifer y menywod sy'n wynebu digartrefedd oherwydd cam-drin domestig yn cynyddu. Fodd bynnag, mae hefyd wedi bod yn arafu argaeledd eiddo symud ymlaen i fenywod a theuluoedd oherwydd galw digynsail am lety, a phwysau digartrefedd mwy cyffredinol.

Nid yw'r argyfwng costau byw ond wedi gwaethygu'r broblem, ac eto nid yw cyllid yn cyd-fynd â'r galw cynyddol am wasanaethau cymorth.

Casgliad

Mae Llamau bob amser wedi ymdrechu i ddarparu gwasanaethau cymorth effeithiol o ansawdd uchel, ond mae'n anodd gweld sut y gellir cynnal gwasanaethau ar y lefel bresennol heb gynnydd mewn cyllid drwy'r HSG. Bydd hyn yn ei dro yn gweld llawer mwy o bobl yn methu â chael gafael ar y cymorth sydd ei angen arnynt mewn modd amserol.

Mae'r sector cyfan yn cael trafferth gyda galw cynyddol, cymhlethdod anghenion a diffyg cyllid. Mae Llamau, ynghyd â darparwyr cymorth eraill, wedi penderfynu peidio ag ail-dendro ar gyfer rhai gwasanaethau gan na ellir eu darparu i'r safon angenrheidiol gyda'r cyllid sydd ar gael. Nid oes unman ar ôl i fynd o ran arbedion cost.

Heb godiad i'r Grant Cynnal Tai am y flwyddyn ariannol 2024/25, mae perygl gwirioneddol y bydd gwasanaethau'n dymchwel, yr agenda ymyrraeth gynnar yn cael ei cholli – a chyda hynny, y cyfle i gyflawni'r newid unwaith mewn cenhedlaeth a amlinellwyd gan Lywodraeth Cymru yn y Papur Gwyn ar Derfynu Digartrefedd yng Nghymru.

Llamau

Imagine a World Without
Homelessness

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 08 : Ymateb gan: Llamau | Response from: Llamau



Llamau Submission to the Finance Committee:

Welsh Government Draft Budget proposals for 2024-25

Introduction

Homelessness and housing support services in Wales are facing significant pressures. Demand for Llamau's services has increased substantially, and we are seeing a considerable increase in the number of young people we support who are presenting with very complex support needs. Our funding is for 'Housing Related Support', yet we must provide so much more than that, which simply isn't factored in – or paid for - in existing contracts. In some cases, it is this work which is literally keeping people with a history of serious self-harm, or suicide attempts, alive.

The cost of delivering services has increased significantly, despite there being no increases to the Housing Support Grant (HSG). Many of our contracts are paid between 20% and 30% less than the real cost for funding these services, as they did not take account of the hike in inflation. We are already subsidising low value contracts through our own charitable fundraising, but as individuals and businesses experience similar cost of living issues, this has become a much more challenging environment.

In addition, we are already being told by commissioners that early intervention, prevention, and floating support services are under threat as they focus efforts on crisis services. Welsh Government has put a welcome emphasis on the importance of early intervention to achieve the ambition of making homelessness rare, brief and unrepeated, but once these services are lost, the sector will simply not be able to meet the aims of the White Paper on Ending Homelessness in Wales.

Increase in demand for services:

Our Youth Homelessness Helpline received the highest number of calls last month, a 50% increase on previous months, highlighting both the increase in numbers of young people in crisis and the importance of early identification, prevention and intervention services.

Referrals have continued to increase for refuge spaces across Llamau, with 279 referrals for our 64 spaces in 2022/23 (an increase of 114 or 69% from last year). During this year we increased capacity by opening 2 dispersed refuges (in Merthyr Tydfil County Borough Council area). Demand for spaces meant we were unable to accommodate 90 referrals as refuges were full, and a further 16 were unable to be supported in the space that was available due to their support needs and/or family size.

In the community, our Floating Support services received 475 referrals, an increase of 20% compared to the previous year.

Staff wellbeing and retention:

Recruitment and retention of staff across the sector is extremely difficult. People are leaving for less stressful and higher paid roles elsewhere. This has significantly impacted on our ability to recruit and retain staff. In the last year, we have had to use agency workers to cover vacancies for the first time. The costs of doing this are very high compared with salaried staff and, given the increased demand across all support providers, it is a very competitive market.

National Living Wage increases are not included in our contracted funding, so we are expected to find the money from elsewhere. Whilst we welcome the increase for colleagues, we have no additional funding to pay for it. Due to the cost-of-living crisis, our lowest paid staff are now experiencing the same issues as the people we support, such as inability to pay bills, afford food shops, or pay rent.

This situation is unsustainable. Care services were given funding in last year's budget round to deliver Real Living Wage salaries for staff, but this did not happen for support services. Flat line budgets have led to wage deflation, and this is the primary cause of the recruitment and retention issue in the sector.

The Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

The sector is being told by commissioners that prevention services are at risk as they need to concentrate funding on crisis interventions due to lack of funding. This is, in our view, a false economy as the preventative and early intervention services save money in the longer term, as these examples show:

- Mediation can sustainably prevent family relationship breakdown and the costly crisis of homelessness for a young person; saving over £27,000 per person in specialist supported accommodation costs.
- Family relationship breakdown is consistently shown to be the main driver of youth homelessness. Targeted early intervention like our mediation services can successfully enable young people to remain safely in their family home; preventing the significant costs of often inappropriate temporary accommodation – shown to have doubled in Wales in the last 5 years to over £40m.
- Supporting an individual to better manage their mental health through our specialist services such as counselling has a profound impact on their happiness and quality of life. Nearly £5 billion is lost through reduced productivity and healthcare costs in Wales annually.

- By facilitating re-engagement with education and preventing exclusion, our EMPHASIS outreach services can save the state an estimated £370,000 in lifetime education, benefits, healthcare, and criminal justice costs.

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?

Exiting the pandemic, we have seen an increase in complexity of needs and risk for the young people we are supporting, with greater experience of trauma and associated mental health and well-being needs. This is at a time when support from other agencies is more difficult to access.

The number of women facing homelessness because of domestic abuse is rising. However, there has also been a slowdown of availability of move on properties for women and families due to unprecedented demand for accommodation, and more general homelessness pressures.

The cost-of-living crisis has only exacerbated the problem, yet funding is not keeping pace with the rising demand for support services.

Conclusion

Llamau has always strived to deliver high-quality, effective support services, but it is difficult to see how services can be maintained at the current level without an increase in funding via the HSG. This is turn will see many more people unable to access the support they need in a timely manner.

The whole sector is struggling with increased demand, the complexity of needs and a lack of funding. Llamau, along with other support providers, has decided not to re-tender for some services as they simply can't be delivered to the standard needed with the funding available. There is nowhere left to go in terms of cost savings.

Without an uplift to the Housing Support Grant for the financial year 2024/25, there is a real risk of services collapsing, the early intervention agenda being lost – and with it, the opportunity to deliver the once in a generation change which the Welsh Government outlined in the White Paper on Ending Homelessness in Wales.

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 09 : Ymateb gan: Comisiynydd Cenedlaethau'r Dyfodol Cymru |
Response from: Future Generations Commissioner





Trwy e-bost

27 o Dachwedd 2023

Annwyl Gadeirydd,

Diolch am y cyfle i ymateb i'ch ymgynghoriad ar Gyllideb Ddrafft Llywodraeth Cymru 2024-25.

Bydd y Pwyllgor yn ymwybodol bod fy swyddfa a'm rhagflaenydd wedi craffu'n fanwl ar brosesau cyllideb Llywodraeth Cymru mewn blynyddoedd blaenorol fel ysgogiad angenrheidiol i sicrhau bod Deddf Llesiant Cenedlaethau'r Dyfodol yn cael ei hystyried a bod tystiolaeth ohoni drwyddi draw. Roeddwn yn ddiolchgar am y cyfle i gwrdd â chi yn gynharach yn y flwyddyn i drafod y rôl bwysig rydym yn ei chwarae ar y cyd yn y gwaith craffu hwn. Roeddwn innau hefyd yn croesawu'r cyfle i'm swyddfa gael ei chynrychioli yn eich sesiwn rhanddeiliaid yn Wrecsam.

Yn ogystal, rwyf wedi cyfarfod â'r Gweinidog Cyllid a Llywodraeth Leol deirgwaith, gan gynnwys cyfarfod adeiladol â chomisiynwyr eraill. Rwyf hefyd wedi cael cyfarfod rhagarweiniol gyda swyddogion cyllideb Llywodraeth Cymru.

Rwy'n cydnabod y cyfnod ariannol anodd sy'n wynebu Llywodraeth Cymru, gwasanaethau cyhoeddus a chymunedau ledled Cymru. Bydd gennyf ddi-ddordeb mewn gwybod sut y mae Deddf Llesiant Cenedlaethau'r Dyfodol (yn enwedig y pum ffordd o weithio a chyflawni yn erbyn amcanion llesiant Llywodraeth Cymru) wedi'i chymhwyso yn yr ymarfer arbedion diweddar a gynhaliwyd gan y Gweinidog Cyllid a Llywodraeth Leol. Mae'n dda gweld ymrwymiad parhaus i gyflwyno gwasanaethau rheilffyrdd newydd i Gymru. Mae hon yn enghraifft dda o wariant ataliol gyda golwg hirdymor a fydd hefyd yn dod â buddion uniongyrchol i genedlaethau presennol. Mae diogelu gwasanaethau iechyd yn bwysig, fodd bynnag, maent yn parhau i ddi-ddoddef pwysau cyllidebol er gwaethaf y cyllid hwn. Fy marn i yw bod angen newid hirdymor i gadw pobl yn iach ar draws ystod eang o wasanaethau cyhoeddus i gydweithio fel yr af ymlaen i'w amlinellu isod. O'r ffordd yr ydym yn teithio i'r hyn yr ydym yn ei fwyta a'i yfed i'r amgylchedd o'n cwmpas, mae angen i ni gydweithio i gadw pobl yn iach er mwyn rhyddhau pwysau ar ein system iechyd yn y dyfodol a gwella llesiant cenedlaethau'r presennol a'r dyfodol.

Rwyf wedi cyhoeddi [Cymru Can](#) yn ddiweddar, yn amlinellu'r rhaglen waith ar gyfer fy nhymor fel comisiynydd. Mae hyn wedi'i lunio drwy wrando ar bobl, cymunedau a sefydliadau ledled Cymru am yr hyn sy'n bwysig iddyn nhw. Nodais bum cenhadaeth yr wyf yn bwriadu eu cyflawni yn fy amser fel comisiynydd, pob un â ffocws penodol ar gyfer ein gwaith ar graffu ar y gyllideb flynyddol.



Yn y flwyddyn i ddod byddaf yn edrych yn agosach ar sut yr eir i'r afael â'r blaenoriaethau hyn yng nghyllideb Llywodraeth Cymru i ddeall a yw gwariant cyhoeddus yn cyd-fynd â'r hyn sy'n bwysig i bobl Cymru.

1. Gweithredu ac Effaith

Bydd fy nghenhadaeth gyffredinol yn canolbwyntio ar sicrhau bod Deddf Llesiant Cenedlaethau'r Dyfodol yn cael ei chyflawni i'w llawn botensial ar draws holl gyrff cyhoeddus Cymru. Fel rhan o hyn, byddaf yn cynghori pob corff cyhoeddus ar sut y dylent osod eu cyllidebau, ac mae hyn yn cynnwys parhau i adolygu sut mae'r broses ar gyfer pennu cyllideb Llywodraeth Cymru wedi cymhwyso'r Ddeddf.

Canfu ein gwaith craffu ar gyllideb ddrafft 2023-24 nad yw Deddf Llesiant Cenedlaethau'r Dyfodol wedi'i hymgorffori o hyd yn y broses o wneud penderfyniadau ar y gyllideb yn y ffordd y byddem yn disgwyl ei gweld. Mae hyn yn cynnwys diffyg gwreiddio iaith y Ddeddf yn y naratif o amgylch y gyllideb. Hoffwn weld arwydd clir o sut mae Llywodraeth Cymru wedi pennu ei chyllideb mewn ffordd sy'n cyfrannu at y saith Nod Llesiant ac amcanion Llesiant Llywodraeth Cymru ei hun fel y'u nodir yn y Rhaglen Lywodraethu.

Mae wedi bod yn aneglur o'r wybodaeth a ddarparwyd gan Lywodraeth Cymru mewn blynyddoedd blaenorol sut mae'r pum ffordd o weithio yn cael eu defnyddio yn y broses gwneud penderfyniadau. Byddwn yn edrych eto am dystiolaeth o hyn yng Nghyllideb Ddrafft 2024-25. Er enghraifft, wrth roi syniadau hirdymor ar waith, hoffwn atgoffa'r Pwyllgor o gyngor Archwilydd Cyffredinol Cymru y llynedd ynghylch ariannu cyrff cyhoeddus a oedd yn tynnu sylw at y canlynol:

- “natur tymor byr rhai llifoedd cyllid, sy'n rhwystro gallu [cyrff cyhoeddus] i gynllunio'n effeithiol ar gyfer y tymor hwy”;
- “diffyg hyblygrwydd o ran sut y gellir gwario rhai rhannau o gyllid grant”; a
- y ffaith mai “dim ond yn hwyr iawn yn y dydd neu'n hwyr yn y flwyddyn ariannol y caiff cyrff cyhoeddus eu hysbysu bod cyllid ar gael.

Mae cyllid tymor byr yn cael ei ddyfynnu amlaf gan gyrff cyhoeddus fel y rhwystr mwyaf i feddwl hirdymor yng Nghymru. Amlygwyd hyn yn gryf hefyd yn yr ymarfer cynnwys a arweiniodd at Cymru Can.



Bydd gennyf ddiddordeb mewn deall i ba raddau y mae defnyddio tueddiadau a rhagwelediad yn y dyfodol wedi helpu i benderfynu i ble y mae angen i gyllidebau fynd.

Nid yw'r diffiniad o atal yn dal i gael ei ddefnyddio ym mhroses y gyllideb gymaint ag yr hoffem. Mae angen inni weld newid i fodel ataliol o ddarparu gwasanaethau cyhoeddus, fel yr amlinellir ymhellach yn y pwyntiau isod mewn perthynas â'm cenadaethau eraill, a bydd hyn yn gofyn am ddull strategol o osod cyllideb ataliol sy'n edrych i'r hirdymor. Deallaf fod gwaith archwiliol ar gyllidebu ataliol drwy lens hinsawdd a natur ar y gweill, ond mae angen i hyn symud ymlaen yn gyflym ac mae fy nhîm yma i helpu gyda hyn.

Amlygodd Adolygiad Adran 20 fy swyddfa hefyd mai atal yw un o'r ffyrdd o weithio sy'n cael ei deall leiaf ac mae gweision sifil yn aml yn ei chael hi'n anodd ei gymhwyso'n ymarferol yn eu gwaith. Mae diffyg ymwybyddiaeth hefyd ymhlith gweision sifil o'r diffiniad o atal y cytunwyd arno rhwng fy swyddfa a Llywodraeth Cymru.

Y diffiniad o atal y cytunwyd arno â Llywodraeth Cymru yw bod atal yn gweithio mewn partneriaeth i gydgyhyrchu'r canlyniadau gorau posibl, gan ddefnyddio'r cryfderau a'r asedau sydd gan bobl a lleoedd i'w cyfrannu. Gan rannu'n bedair lefel, gall pob lefel leihau'r galw am y nesaf:

- Atal sylfaenol (PP) – Meithrin gwytnwch – creu'r amodau lle na fydd problemau'n codi yn y dyfodol. Agwedd gyffredinol.
- Atal eilaidd (SP) – Targedu gweithredu tuag at feysydd lle mae risg uchel o broblem. Dull wedi'i dargedu, sy'n cadarnhau egwyddorion cyffredinoliaeth flaengar*.
- Atal trydyddol (TP) – Ymyrryd unwaith y bydd problem, i'w atal rhag gwaethygu a'i atal rhag digwydd eto yn y dyfodol. Dull ymyrryd.
- Gwariant aciwt (AS) – Gwariant, sy'n gweithredu i reoli effaith sefyllfa negyddol iawn ond sy'n gwneud ychydig neu ddim byd i atal problemau rhag digwydd yn y dyfodol. Dull adferol.

* Mae cyffredinoliaeth flaengar yn benderfyniad i ddarparu cymorth i bawb, gan roi llais a diddordeb personol i bawb a phopeth, ond mae'n cydnabod y bydd angen mwy o gymorth ar y bobl neu'r ardaloedd hynny sydd â mwy o anghenion.

Rwy'n croesawu'r adroddiad a gyhoeddwyd yn ddiweddar gan Demos, "[Refeniw, Cyfalaf, Atal Fframwaith Gwariant Cyhoeddus Newydd ar gyfer y Dyfodol](#)" (a gyhoeddwyd ym mis Hydref 2023) sy'n tynnu sylw at bwysigrwydd llywodraethau'n diffinio'r hyn a olygwn wrth 'wariant ataliol'. Byddwn yn annog y Pwyllgor i ystyried yr adroddiad wrth iddo fonitro'r Gyllideb Ddrafft.



O flynyddoedd blaenorol, nid ydym yn gweld effaith aseddig penderfyniadau cyllidebol o hyd yn nogfennau'r gyllideb, fel yr Aseiad Effaith Integredig Strategol (SIIA). Dyma lle yr hoffem weld cysylltiadau cliriach yn ôl ag amcanion llesiant Llywodraeth Cymru, y Nodau Llesiant ac at gyflawni'r llwybr a nodir yn y gyllideb garbon bresennol ac, wrth symud ymlaen, at gyflawni'r llwybr at natur gadarnhaol. Cymru. Byddwn yn parhau i roi cyngor ar y broses SIIA sy'n datblygu er mwyn sicrhau, er enghraifft, ei bod yn ystyried effaith gronol ac yn edrych ar effaith penderfyniadau ar draws y pedwar dimensiwn llesiant.

2. Yr Argyfyngau Hinsawdd a Natur

Mae fy swyddfa wedi olrhain cynnydd ar ddatgarboneiddio o fewn cyllideb Llywodraeth Cymru dros y blynyddoedd diwethaf. Er fy mod yn credu bod hon yn parhau i fod yn flaenoriaeth bwysig i'r gyllideb, rwyf yn awr yn bwriadu cymryd golwg ehangach ar sut y mae'r gyllideb yn ymateb i'r argyfyngau deul, brys o newid yn yr hinsawdd a cholli byd natur. Yn fy rhaglen waith newydd, rwyf wedi ei gwneud yn genhadaeth i gefnogi cyflawniad y dyhead ar gyfer sector cyhoeddus sero net erbyn 2030 ac i Gymru atal dirywiad bioamrywiaeth erbyn 2030 yn gysylltiedig ag un o'r cerrig milltir Llesiant Cenedlaethol ac ymrwymiad 30x30 o'r Fframwaith Bioamrywiaeth Byd-eang y cytunwyd arno yn COP15. Bydd cyrraedd y cerrig milltir pwysig hyn yn gofyn am ymagwedd Tîm Cymru a bydd gan bob corff cyhoeddus ran i'w chwarae.

3. Diwylliant a'r Iaith Gymraeg

Mae llesiant diwylliannol yn gyfartal â llesiant amgylcheddol, cymdeithasol ac economaidd yn Neddf Llesiant Cenedlaethau'r Dyfodol, gan gydnabod y rôl enfawr y mae'n ei chwarae wrth gefnogi pobl a'r blaned. Bydd fy rhaglen waith yn cynnwys cenhadaeth i fynd i'r afael â'r canfyddiad o werth ein diwylliant i'n llesiant. Yn rhy aml o lawer, gwasanaethau diwylliannol fel canolfannau hamdden a chyfleusterau celfyddydol yw'r rhai sy'n cael eu taro galetaf ar adegau o bwysau cyllidebol ar draws pob lefel o lywodraeth. Mae hyn er gwaethaf y ffaith mai dyma rai o'r union bethau sy'n ein cadw'n iach ar adegau o angen a phwysau costau byw. Byddaf yn olrhain sut y mae Llywodraeth Cymru yn sicrhau bod gwasanaethau allweddol fel y rhain yn parhau i fod ar gael i bobl Cymru, gan gynnwys goblygiadau penderfyniadau cyllidebol i awdurdodau lleol a chyirff diwylliannol cenedlaethol.

4. Economi Llesiant

Bydd fy nhîm a minnau'n gweithio i helpu i drawsnewid Cymru i economi sy'n rhoi pobl a'r blaned yn gyntaf gyda chymunedau, busnes a llywodraethau ar bob lefel yn helpu i wneud i hyn ddigwydd. Mae Deddf Llesiant Cenedlaethau'r Dyfodol yn amlinellu Cymru lewyrchus fel cymdeithas arloesol,



gynhyrchiol, a charbon isel sy'n cydnabod terfynau'r amgylchedd byd-eang ac yn defnyddio adnoddau'n effeithlon ac yn gymesur – gan bwysleisio sgiliau, addysg a gwaith teg wrth gynhyrchu cyfoeth. Byddaf yn edrych gyda diddordeb i ba raddau y mae cyllideb Llywodraeth Cymru yn symud i'r un cyfeiriad, o ran blaenoriaethu buddsoddiad cyfalaf a reffeniw.

5. Iechyd a Llesiant

Fy ffocws cyllidebol o dan y genhadaeth hon fydd sicrhau bod buddsoddiad digonol yn y pethau sy'n ein cadw'n iach – penderfynyddion ehangach iechyd. Mae angen i ni ddefnyddio pob lifer sydd gennym a chofleidio 'iechyd ym mhob polisi' i helpu i gadw pobl yn iach, yn feddylol ac yn gorfforol. Bydd ein gwaith craffu yn edrych ar fwy na'r gwasanaeth iechyd yn unig drwy ystyried iechyd a llesiant gyda mwy o ffocws ar atal ac integreiddio rhwng meysydd gwasanaeth. Yng Nghymru, rydym mewn sefyllfa i ddefnyddio atebion arloesol, hirdymor i wella bywydau a mynd ar y blaen i broblemau iechyd drwy ganolbwyntio nid yn unig ar y GIG a byrddau iechyd, ond ar y gwasanaethau cyhoeddus ehangach sy'n cael effaith ar iechyd ein cenedl – y 'model cymdeithasol o iechyd'.

Edrychaf ymlaen at rannu'r hyn yr wyf yn ei ddysgu gyda'r Pwyllgor yn y blynyddoedd i ddod ar y materion pwysig hyn. Pe byddai'n ddefnyddiol i'r Pwyllgor, byddwn yn hapus i drefnu sesiwn wybodaeth i Aelodau'r Pwyllgor gyda chyingor ar sut i graffu ar y gyllideb drwy lens Deddf Llesiant Cenedlaethau'r Dyfodol.

Yr eiddoch yn gywir,

Derek Walker

Comisiynydd Cenedlaethau'r Dyfodol Cymru

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 09 : Ymateb gan: Comisiynydd Cenedlaethau'r Dyfodol Cymru |
Response from: Future Generations Commissioner



By email

27th November 2023

Dear Chair,

Thank you for the opportunity to respond to your consultation on the Welsh Government Draft Budget 2024-25.

The Committee will be aware that my office and predecessor scrutinised Welsh Government budget processes closely in previous years as a necessary lever to ensure the Well-being of Future Generations Act is considered and evidenced throughout. I was grateful for the opportunity to meet with you earlier in the year to discuss the important role we jointly play in this scrutiny. I too welcomed the opportunity for my office to be represented at your stakeholder session in Wrexham.

In addition, I have met with the Minister for Finance and Local Government on three occasions, including a constructive meeting with other commissioners. I have also had an introductory meeting with Welsh Government budget officials.

I recognise the difficult financial period facing Welsh Government, public services and communities across Wales. I will be interested to know how the Well-being of Future Generations Act (in particular the five ways of working and delivery against Welsh Government's well-being objectives) has been applied in the recent savings exercise undertaken by the Minister for Finance and Local Government. It is good to see continued commitment to the roll out of new rail services for Wales. This is a good example of preventative spend with a long-term view that will also bring immediate benefits to current generations. Protecting health services is important, however, they continue to suffer budget pressures despite this funding. It is my view that we need a long-term shift to keeping people well across a wide range of public services working together as I will go on to outline below. From how we travel to what we eat and drink to the environment around us, we need to work together to keep people well in order to release pressure on our future health system and improve the well-being of current and future generations.

I have recently published [Cymru Can](#), outlining the work programme for my term as commissioner. This has been shaped by listening to people, communities and organisations across Wales about what is important to them. I set out five missions that I intend to deliver on in my time as commissioner, each with a distinct focus for our work on the scrutiny of the annual budget.

In the year ahead I will be taking a closer look at how these priorities are being addressed in the Welsh Government budget to understand whether public spending is aligned with what's important to the people of Wales.

1. Implementation and Impact

My overarching mission will focus on ensuring that the Well-being of Future Generations Act is being delivered to its full potential across all public bodies in Wales. As part of this, I will advise all public bodies on how they should set their budgets, and this includes continuing to review how the process for setting the Welsh Government's budget has applied the Act.

Our scrutiny of the 2023-24 draft budget found that the Well-being of Future Generations Act is still not embedded into budget decision-making in the way we would expect to see it. This includes a lack of embedding the language of the Act in the narrative around the budget. I would like to see a clear indication of how Welsh Government have set their budget in a way that contributes to the seven Well-being Goals and the Welsh Government's own well-being objectives as set out in the Programme for Government.

It has been unclear from the information provided by the Welsh Government in previous years how the five ways of working are being used in the decision-making process. We will again be looking for evidence of this in the 2024-25 Draft Budget. For example, in applying long-term thinking, I would remind the Committee of the advice of the Auditor General for Wales last year regarding the funding of public bodies which highlighted:

- the “short-term nature of some funding flows, which hamper [public bodies'] ability to plan effectively for the longer term”;
- “a lack of flexibility in how some parts of grant funding can be spent”; and
- the fact that “public bodies are only made aware of the availability of funding very late in the day, or late in the financial year”.

Short-term funding is most often quoted by public bodies as the biggest barrier to long-term thinking in Wales. This was also strongly highlighted in the involvement exercise that led up to Cymru Can.

I will be interested to understand the extent to which the use of future trends and foresight has helped to determine where budgets need to go.

The definition of prevention is still not being used in the budget process as much as we would like. We need to see a shift to a preventative model of public service delivery, as outlined further in the points below in relation to my other missions, and this will require a strategic approach to preventative budget setting that looks to the long-term. I understand that exploratory work on preventative budgeting through the lens of climate and nature is underway, but this needs to progress at pace and my team is here to help with this.

My office's Section 20 Review also highlighted prevention is one of the least understood ways of working and civil servants often struggle in applying it practically in their work. There is also a lack of awareness among civil servants of the definition of prevention agreed between my office and Welsh Government.

The definition of prevention agreed with the Welsh Government is that prevention is working in partnership to co-produce the best outcomes possible, utilising the strengths and assets people and places have to contribute. Breaking down into four levels, each level can reduce demand for the next:

- Primary prevention (PP) – Building resilience – creating the conditions in which problems do not arise in the future. A universal approach.
- Secondary prevention (SP) – Targeting action towards areas where there is a high risk of a problem occurring. A targeted approach, which cements the principles of progressive universalism*.
- Tertiary prevention (TP) – Intervening once there is a problem, to stop it getting worse and prevent it reoccurring in the future. An intervention approach.
- Acute spending (AS) – Spending, which acts to manage the impact of a strongly negative situation but does little or nothing to prevent problems occurring in the future. A remedial approach.

* Progressive universalism is a determination to provide support for all, giving everyone and everything a voice and vested interest, but recognises more support will be required by those people or areas with greater needs.

I welcome the recently published report by Demos, "[Revenue, Capital, Prevention A New Public Spending Framework For The Future](#)" (published in October 2023) which highlights the importance of governments defining what we mean by 'preventative expenditure'. I would encourage the Committee to consider the report as it monitors the Draft Budget.

From previous years, we are still not seeing the assessed *impact* of budget decisions in the budget documents, like the Strategic Integrated Impact Assessment (SIIA). This is where we would like to see clearer links back to the Welsh Government's well-being objectives, the Well-being Goals and to achieving the pathway set out in the current carbon budget and, going forward, to achieving the pathway to a nature positive Wales. We will continue to advise on the evolving SIIA process to ensure, for example, that it takes account of cumulative impact and looks at the impact of decisions across the four dimensions of well-being.

2. The Climate and Nature Emergencies

My office has tracked progress on decarbonisation within the Welsh Government budget over recent years. Whilst I believe this continues to be an important priority for the budget, I now intend to take a broader view of how the budget is responding to the urgent, dual crises of climate change and nature loss. In my new work programme, I have made it my mission to support the achievement of the aspiration for a net zero public sector by 2030 and for Wales to halt biodiversity decline by 2030 linked to one of the National Wellbeing milestones and to the 30x30 commitment of the Global Biodiversity Framework agreed at COP15. Meeting these important milestones will require a Team Wales approach and all public bodies will have a part to play.

3. Culture and the Welsh Language

Cultural well-being has equal footing with environmental, social and economic well-being in the Well-being of Future Generations Act, recognising the enormous role that it plays in supporting both people and planet. My work programme will include a mission to address the perception of value of our culture to our well-being. All too often, cultural services such as leisure centres and arts facilities are the hardest hit in times of budget pressures across all levels of government. This is despite the fact that these are some of the very things that keep us well in times of need and cost of living pressures. I will be tracking how the Welsh Government is ensuring that key services such as these remain available to people of Wales, including implications of budget decisions on local authorities and national cultural bodies.

4. Well-being economy

My team and I will be working to help transition Wales to an economy that puts people and planet first with communities, business and governments at all levels helping to make this

happen. The Well-being of Future Generations Act outlines a Prosperous Wales as an innovative, productive, and low carbon society which recognises the limits of the global environment and uses resources efficiently and proportionately – emphasising skills, education and fair work in generating wealth. I will be looking with interest at the extent to which the Welsh Government budget is moving in this same direction, both in terms of prioritising capital and revenue investment.

5. Health and Well-being

My budget focus under this mission will be to ensure that there is adequate investment in the things that keep us well – the wider determinants of health. We need to use every lever we have and embrace ‘health in all policies’ to help keep people well, both mentally and physically. Our scrutiny will look at more than just the health service by considering health and well-being with a greater focus on prevention and integration between service areas. In Wales we are in a position to use innovative, long-term solutions to improve lives and get ahead of health problems by focusing not just on the NHS and health boards, but on the wider public services that have an impact on the health of our nation – the ‘social model of health’.

I look forward to sharing what I am learning with the Committee in future years on these important matters. If the Committee would find it helpful, I would be happy to arrange an information session for Committee Members with advice on how to scrutinise the budget through the lens of the Well-being of Future Generations Act.

Yours faithfully,



Derek Walker

Future Generations Commissioner for Wales

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 10 : Ymateb gan: NFU Cymru (Saesneg yn unig) | Response from: NFU Cymru (English only)



To: Senedd Finance Committee Date: 29th November 2023
Ref:
Cc: Contact:
Tel: [REDACTED]
Fax:
Email: [REDACTED]

Dear Finance Committee

A call for information – Welsh Government Draft Budget proposals for 2024-25

NFU Cymru champions Welsh agriculture and represents farmers throughout Wales and across all sectors. NFU Cymru's vision is for a productive, profitable, and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive with Welsh food and farming delivering economic, environmental, cultural, and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.

We are pleased to be able to provide the Senedd's Finance Committee with this submission in order to help inform its scrutiny of the Welsh Government's Draft Budget Proposals for 2024-25

1. The importance of the farming industry in rural Wales cannot be over-stated. Welsh farming businesses are the backbone of the Welsh rural economy, the axis around which rural communities turn. The raw ingredients that we produce are the cornerstone of the £8.1 billion Welsh food foundation sector. The food and drink supply chain employs 223,500 people meaning it employs more people than any other sector of the Welsh economy.
2. Welsh farmers also play a key role in maintaining and enhancing our natural environment – Wales' key asset. Farming activity supports a diverse range of species, habitats, and ecosystems, provides a range of ecosystem services including flood alleviation, carbon sequestration, climate change mitigation; and delivers the significant backdrop for Wales' tourism and recreation sector worth an estimated £2.5 billion annually.
3. Our rural and agricultural communities are also strongholds for the Welsh language and culture, with those census figures showing that 43% of those involved in agriculture (farmers and farm workers)¹ speak Welsh as opposed to around 19% of Wales' wider population. By safeguarding the future of Welsh agriculture and our rural communities we therefore help safeguard the future of our language and culture.

¹ <https://businesswales.gov.wales/farmingconnect/sites/farmingconnect/files/documents/laith%20y%20Pridd%20report.pdf>

4. NFU Cymru is well-aware of the significant challenges faced by all sectors of the economy, by governments both national and local and by the public sector as we continue to feel the twin effects of both high inflation and high interest rates, and an economy which is struggling to grow. Welsh farming has not been immune to these stresses with input costs on farm 40% higher than they were in 2020, increases in output prices have not matched the inflation seen in inputs thus putting margins under pressure.
5. We recognise that all areas of Welsh Government expenditure are under unprecedented levels of strain and that the rural affairs budget is not an exception to this. We do however think that support for agriculture and rural communities represents a good return on investment for the Welsh Government.
6. In November 2023 NFU Cymru commissioned survey work from polling company YouGov. Having surveyed more than 1000 Welsh adults, it found that 82% support the Welsh Government providing financial support to farmers to produce food. When taking into account the Welsh Government's spending priorities, 72% said that supporting Welsh farmers was a good use of public spending². This shows a high level of backing amongst the public for supporting farmers financially to produce food.
7. The total Rural Affairs budget for 2023-24, including the Basic Payment Scheme at £238m is £482m, and represents 2.1% of a total Welsh Government budget of £22,968m. In exchange for this very modest outlay, farmers look after around 80% of the geographical area of Wales and produce the safe affordable food we all eat. The food which also enjoys a fantastic reputation for quality, provenance and environmental credentials around the UK home nations and in a range of export markets near and far.
8. Funding in the Rural Affairs budget which is not used to support farmers is used amongst other things to uphold Animal health and welfare, and to pay for Bovine TB surveillance control and eradication, as well as the control of a range of pests and diseases. These represent important public, animal and plant health measures which have to be maintained.
9. By supporting Wales' farmers through the Basic Payment Scheme (BPS) in 2022 to the tune of £238 million³, the sector produced a gross output of £2.1bn in the same year⁴. Investment in support for agriculture by the Welsh Government therefore produces a return on investment of almost of almost £9 for every £1 given in support.
10. Historically of course, agriculture in Wales has been supported from EU funds with the role of Welsh Government pretty much limited to the administration, oversight and delivery of these payments to some 16,000 claimants for Pillar 1 (BPS), in accordance with the relevant EU rules and with a co-financing element of Welsh Government funds for Pillar 2 (Rural Development)

² <https://www.nfu-cymru.org.uk/news-and-information/new-nfu-cymru-survey-reveals-high-levels-of-public-support-for-government-spending-on-welsh-farming/>

³ [Written Statement: Publication of Basic Payment Scheme \(BPS\) financial budget ceiling for 2023 scheme year and announcement BPS will continue in 2024 \(15 December 2022\) | GOV.WALES](https://www.gov.wales/written-statement-publication-of-basic-payment-scheme-bps-financial-budget-ceiling-for-2023-scheme-year-and-announcement-bps-will-continue-in-2024-15-december-2022)

⁴ <https://www.gov.wales/aggregate-agricultural-output-and-income-2022>

11. Since Brexit, and as an interim measure until the Sustainable Farming Scheme has been rolled out, Wales continues to operate CAP legacy schemes, with the key difference that these schemes are now funded by the Welsh Government, via the money given to Wales each year by the UK Treasury.
12. Prior to EU-Exit, funding for farming equated to £238m via Pillar 1 Direct Payments and £99m annually for the multi-annual Rural Development Programme (RDP) to which Welsh Government was required to provide an additional £40m of domestic co-financing annually. In line with commitments made relating to Welsh farming receiving 'not a penny less' following our departure from the EU, NFU Cymru expects this to mean the value of Pillar 1 and Pillar 2 together with monies arising as a result of the Bew Review⁵, in total circa £380m per annum.
13. The Treasury funding which is being made available to farmers in Wales itself derives from a commitment in the Conservatives' 2019 Election Manifesto to '*guarantee the current annual budget to farmers in every year of the next Parliament*'⁶ after Brexit. The expectation is therefore that this commitment will run until sometime in 2024.
14. In 2021, UK Treasury confirmed £900m over three years for farmers together with £2.6m per annum for three years under the Bew Review, making a total settlement of £907.8m over that period.
15. We are grateful to Welsh Government for cascading this support from the UK Treasury down to farmers via the BPS over the last few years. This has been crucial in underpinning Welsh farming and all the allied industries who rely on Welsh farming businesses for so much of their income.
16. It is less clear if Welsh Government has fully cascaded the funding provided to replace the Pillar 2 rural development element to farmers and land managers and it is highly questionable whether the 2014-2020 RDP has attained the 'transformational change' which was once acclaimed for the RDP⁷
17. We would also make the point that the baseline chosen by the Conservatives for their 2019 manifesto pledge relating to funding for agriculture is increasingly 'in the rear-view mirror'.
18. This is because the 2019 figure is based on the EU budget which was set at the end of 2013⁸ ahead of the 2014-2020 CAP period, and so its real terms value has been steadily eroded by inflation, particularly over the last two years which have seen very high rates of agricultural inflation.
19. The bank of England Inflation calculator shows the BPS budget would need to increase by £79 million to £317 just to keep pace with the inflation which we have seen over the last decade or so, or expressed another way, the budget is worth over 30% less in real terms that in was when it was set in 2013.

⁵ <https://assets.publishing.service.gov.uk/media/5f61fb80e90e072bc1a75335/intra-allocation-uk-review.pdf>

⁶ <https://www.conservatives.com/our-plan/conservative-party-manifesto-2019>

⁷ <https://senedd.wales/media/zppats35/dat20140217-e2-english.pdf>

⁸ UK CAP allocations announced - GOV.UK (www.gov.uk)

20. It is also worth remembering the Welsh Government took the decision in 2013 to apply the maximum rate of Pillar transfer (15%) a decision unique in the UK and the EU. This represents a reduction of £248m from the BPS to the Rural Development Programme (RDP 2014-2020). The extent to which farmers have been able to recoup this funding via rural development measures is very questionable.
21. Chapter 5 of the Statement of Funding Policy⁹ which accompanied Comprehensive Spending Review 2021 (covering the years 2022, 2023 and 2024) re-states the level of support available to farmers in the UK's home nations over the three-year 2021 CSR period.
22. NFU Cymru's reading of the Statement of Funding Policy paragraphs 5.1 and 5.4 suggests to us that a ring-fence does exist around this funding and as such it can only be spent for the purposes which it was given.
23. NFU Cymru would welcome confirmation from the Welsh Government that payment rates for BPS in 2024 will be the same as those in 2023 and 2022. NFU Cymru's view is that the Treasury commitment in the 2021 CSR Statement of Funding Policy means that there should be circa £340m available from the UK Treasury to fund BPS and rural development type activities in 2024.
24. As a Union we believe that maintaining payments at the current rate should be a priority for Welsh Government given the economic, social and cultural benefits which accrue from supporting domestic primary production. Early confirmation of payments to farmers for 2024, at historic levels, would offer some much-needed certainty to a sector which is going through an extremely challenging time at present.
25. Ahead of the next Westminster General election NFU Cymru will press all the main political parties to make funding available to support agriculture across the home nations for the length of the next Parliament and that the budget made available should be uplifted to take account of the significant inflationary pressures we have been subject to over the last few years, whilst also taking account of the additional requirements and undertakings being asked of farmers in relation to food production, the environment and climate.
26. In conjunction with this funding commitment, we would like to see a corresponding commitment from Welsh Ministers that funds allocated by a future UK Government to support farmers are spent for those purposes and those purposes alone.
27. We would see such a commitment on the part of Welsh Ministers as the natural corollary of the obligation the Agriculture (Wales) Act already imposes on Welsh Ministers at Section 11 regarding the preparation of multi-annual support plans giving information about the expected use of Welsh Ministers' powers to provide support under Section 8
28. NFU Cymru would make the point that the agricultural sector went through the recent pandemic with little in the way of the financial support made available to other businesses. The re-orientation of food supply chains away from food service and

⁹ [Statement of Funding Policy update Feb 2023.pdf \(publishing.service.gov.uk\)](#)

hospitality and towards consumption in the home as a result of Covid had a significant and adverse impact on farm-gate prices for many producers. For others the loss of diversified farm income stemming from on farm tourism enterprises came as a significant blow.

29. NFU Cymru would like to consider briefly the 2023-24 in-year review of Welsh Government finances and how this has impacted the rural affairs budget. We believe that there are lessons to be learnt for future budget years from the way in which the Rural Affairs budget was adversely impacted by the re-deployment of funding into other budget lines in Autumn 2023.
30. Firstly, we recognise the challenging circumstances which led to the in-year review of the Welsh Government's financial situation in summer and autumn 2023 and the subsequent re-prioritisation of Welsh Government spending.
31. The total rural affairs budget line for 2023-24 is £482m, and this has been subject to a total in-year reduction of £37.5m, representing a cut of around 7.8%. Whilst it is not entirely clear as to precisely which budget lines within the wider rural affairs budget these cuts will apply to, it is known that the Rural Investment Programme (the domestic successor to the Rural Development Programme) will bear the brunt of these cuts.
32. Welsh Government committed funding for a Rural Economic & Sustainability Programme of £6.8m in 2022/23, £79m in 2023/24 and £118m in 2024/25. Welsh Government state this is for farmers and land managers¹⁰. Given the challenges that the Welsh farming sector faces (Welsh Government's own figures suggest £360m up front investment is required to meet its own Water Quality regulations¹¹), the importance of this funding being utilised in full cannot be overstated.

Conclusion

33. NFU Cymru is very much of the view that support for agriculture represents a good return on investment for Welsh Government, with a modest outlay of just 2% securing a host of positive benefits for Wales. We believe that any reduction to the Rural Affairs budget would be misguided and would represent a false economy in terms of the detrimental impact it would have on the Welsh landscape, on the viability of our rural areas as places for the people to live and work, the rural economy and the wider Welsh economy as well as on the rich cultural heritage of Wales.
34. There is of course a role here for future Westminster governments to ensure that funding allocations to Wales reflect the fact that funding for agriculture is now something which is domestically and not EU derived, with sufficient and equitable allocations of funds made available. We re-iterate our call that funds made available to support agriculture by the UK Government are spent for those purposes and those purposes alone by the Welsh Government.

¹⁰ <https://www.gov.wales/sites/default/files/publications/2022-01/ministers-written-evidence-to-senedd-scrutiny-committees-2022-2023.pdf>

¹¹ [EM template for sub leg \(senedd.wales\)](#)

35. Our view is that these funding allocations should be uplifted to take account of the fact that we are now over ten-years on from when the baseline was established, and in the intervening time there have been periods of high very inflationary pressure together with the higher level of ambition Welsh Government now has for farming in delivering key climate and nature objectives alongside securing the stable supply of safe, high quality and affordable food.

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 11 : Ymateb gan: Gorwel | Response from: Gorwel



Mr Peredur Owen Griffiths AS
Cadeirydd Y Pwyllgor Cyllid
Senedd Cymru

29 Tachwedd 2023

Annwyl Mr Griffiths,

Parthed: Cyflwyno Tystiolaeth Pryderon Grant Cymorth Tai 2024/25

Rwy'n ysgrifennu atoch chi fel Prif Swyddog Gorwel, yr uned fusnes yng nghymdeithas dai Grŵp Cynefin sy'n darparu gwasanaethau cymorth i bobl sy'n ddigartref neu mewn perygl o gollu eu cartref a phobl sy'n profi camdriniaeth ddomestig. Rydym ni'n gweithio ar draws Ynys Môn, Gwynedd a Sir Ddinbych.

Yn amlwg mae'r ddau ohonom ni'n deall yr heriau sy'n wynebu Llywodraeth Cymru wrth wneud penderfyniadau cyllido, ond yr hyn yr hoffwn dynnu sylw ato yw'r hyn sy'n digwydd ar lawr gwlad ar hyn o bryd gan ei fod yn wahanol iawn i'r hyn sydd wedi gweld o'r blaen.

Fel y gwyddoch, rwy'n siŵr, mae'r argyfwng costau byw cyfredol yn cael effaith ddistrywiol ar lawer o bobl yn ein cymunedau. Rydym ni'n gweld mwy a mwy o bobl na fu arnynt angen cefnogaeth gan sefydliad fel un ni o'r blaen, ac sy'n wynebu dyfodol na wnaethant ei ddychmygu a dim syniad sut i wynebu'r hyn sydd o'u blaenau. Rydym ni'n angerddol o blaid y cymunedau rydym ni'n gweithio ynddyn nhw ac rydym ni'n ymfalchïo mewn darparu gwasanaeth cwbl ddwyieithog a chynhwysol sy'n gwneud beth bynnag y bo modd i helpu'r unigolyn neu'r teuluoedd ddod trwy'r sefyllfa maen nhw'n ei wynebu.

Os bydd Llywodraeth Cymru yn penderfynu parhau i ddyrannu'r un lefel o gyllideb neu yn gwneud toriadau yng Ngrant Cymorth Tai yn 2024/25 yna bydd oblygiadau sylweddol i gyllideb a gwasanaethau Gorwel. Heb gynnydd sylweddol yng Ngrant Cymorth Tai bydd rhaid cysidro ail fodelu cynlluniau, atal cynnydd chwyddiant yng nghyflogau cydweithwyr yn 2024/25, gwaredu swyddfeydd a gofod diogel ar gyfer goroeswyr, diswyddo cydweithwyr a rhoi rhai cytundebau presennol yn ôl i gomisiynwyr. Ynghyd â'r camau uchod mae hefyd angen amlygu'r pryderon isod sydd yn effeithio ar Gorwel.

- Allan o 13 o gytundebau presennol Gorwel dim ond 6 sydd yn ariannol hyfyw yn 2024/25.
- Costau cynnal cytundebau gwasanaethau wedi cynyddu 11% i gymharu â 2022/23.

- Ar gyfer cyllideb 2023/24 mae Gorwel wedi buddsoddi £189,315 o arian wrthgefn er mewn cynnal cytundebau, gan sicrhau bod cydweithwyr Gorwel yn derbyn chwyddiant yn dilyn argyfwng costau byw. Nid yw hyn yn opsiwn nac yn gynaliadwy ar gyfer 2024/25.
- Cynnydd sylweddol o **77%**, (**sef 293** o bobl) wedi derbyn cefnogaeth cam-drin ddomestig Gorwel, Grant Cymorth Tai hyd at ddiwedd chwarter 2, 2023/24 i gymharu â'r flwyddyn flaenorol.
- Cynnydd o **8%**, (**sef 276** o bobl) wedi derbyn cefnogaeth atal ddigartrefedd Gorwel, Grant Cymorth Tai hyd at ddiwedd chwarter 2, 2023/24 i gymharu â'r flwyddyn flaenorol.
- Cynnydd mewn cymhlethdod mewn anghenion cefnogi, gyda llai o fewnbwn gwasanaethau statudol mae staff rheng flaen yn treulio mwy o amser yn ymateb i achosion.
- Os bydd rhaid ail fodelu a thorri gwasanaethau bydd hyn yn cynyddu pwysau ar wasanaethau statudol.
- Byddai toriadau yng ngwasanaethau rheng flaen camdriniaeth ddomestig yn cynyddu risg o ddynladdiad domestig mewn cymunedau.
- Ansefydlogrwydd cyllid a diffyg chwyddiant cyflogau yn golygu bod recriwtio a chadw staff profiadol gydag arbenigedd yn y maes yn eithriadol o anodd.
- Mae staff mewn gwasanaethau arbenigol Grant Cymorth Tai yn cael llai o gyflog am yr un gwaith â staff yn y sector statudol.
- Trosiant staff yn uchel, o ganlyniad mae angen adnoddau ychwanegol i hyfforddi staff newydd. 18 staff rheng flaen wedi terfynu cyflogaeth yng Ngorwel yn 2022/23. 10 o staff rheng flaen Gorwel wedi terfynu cyflogaeth hyd at chwarter 2, 2023/24 - wedi derbyn swyddi yn y maes statudol sy'n cynnig cyflogau ac amodau cyflogaeth fwy ffafriol.

Y rhwystredigaeth yw ein bod yn gwybod o astudiaethau a gomisiynwyd bod y gwasanaethau a ddarperir gennym ni yn arbed arian yn y pen draw. Am bob £1.00 a fuddsoddir yng ngwasanaeth cam-drin domestig Gorwel, er enghraifft, cynhyrchir £3.56 o werth cymdeithasol i'r unigolyn a'r gymuned. Yn yr un modd, am bob £1.00 a fuddsoddir yn y gwasanaeth Atal Digartrefedd, mae'r gwerth cymdeithasol a gynhyrchir yn £9.00.

Hyderaf y byddwch fel Pwyllgor Cyllid yn rhoi sylw manwl i'r pryderon uchod gan annog Llywodraeth Cymru i gynyddu Grant Cymorth Tai.

Yn gywir,



Osian Gwyn Elis

Prif Swyddog Gorwel

C.C. Mr John Griffiths AS, Cadeirydd Pwyllgor Llywodraeth Leol a Thai, Senedd Cymru.

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 11 : Ymateb gan: Gorwel | Response from: Gorwel



Mr Peredur Owen Griffiths MS
Chair, Finance Committee
Welsh Parliament

29 November 2023

Dear Mr Griffiths,

RE: Submission of evidence on concerns regarding Housing Support Grant for 2024/25

I am writing to you in my capacity as Chief Officer of Gorwel, the business unit within the Grŵp Cynefin housing association, which provides support services to people who are homeless or who at risk of losing their homes, and people who are experiencing domestic abuse. We work across Anglesey, Gwynedd and Denbighshire.

Clearly, we both understand the challenges facing the Welsh Government when making funding decisions, but what I would like to highlight is what is happening on the ground at the moment, as it very different from what has been seen previously.

As I'm sure you are aware, the current cost-of-living crisis is having a devastating impact on many people in our communities. We are seeing more and more people who have not previously needed support from organisations such as ours, and who are facing a future they could not have imagined, with no idea how to face what lies ahead. We are passionate about the communities in which we work, and we pride ourselves on providing a fully bilingual and inclusive service that does whatever it can to help individuals or families get through the situations that they face.

If the Welsh Government decides to continue to allocate the same level of funding, or else make cuts to the Housing Support Grant for 2024/25, there will be significant implications for Gorwel's budget and services. Without a significant increase in the Housing Support Grant, we will need to consider re-modelling plans, preventing an inflationary increase in colleagues' salaries for 2024/25, disposing of offices and safe spaces for survivors, making colleagues redundant, and returning some existing contracts to commissioners. Along with the actions outlined above, we also need to highlight the concerns set out below, which are affecting Gorwel.

- Of the 13 existing contracts that Gorwel has, only six are financially viable in 2024/25.
- The cost of maintaining service agreements has increased by 11 per cent compared to 2022/23.

- For the 2023/24 budget, Gorwel has invested £189,315 worth of reserves in maintaining contracts, ensuring that Gorwel colleagues receive inflation adjustments in the wake of the cost-of-living crisis. This is not an option for 2024/25, and neither is it sustainable.
- There has been a significant increase of **77 per cent (which equates to 293 people)** in those receiving domestic abuse support from Gorwel, through the Housing Support Grant, up to the end of quarter 2 of 2023/24, compared with the previous year.
- There has been an increase of **8 per cent (which equates to 276 people)** in those receiving homelessness prevention support from Gorwel, through the Housing Support Grant, up to the end of quarter 2 of 2023/24, compared with the previous year.
- There has been an increase in the complexity of support needs. With less input from statutory services, frontline staff are spending more time responding to cases.
- If it becomes necessary to remodel and cut services, this will increase pressure on statutory services.
- Cuts to frontline domestic abuse services would increase the risk of domestic homicide in communities.
- Due to the instability of funding and the lack of wage inflation, the recruitment and retention of experienced staff with expertise in this area is extremely challenging.
- Staff in specialist services related to the Housing Support Grant are paid less for the same work as staff in the statutory sector.
- Because staff turnover is high, additional resources are needed to train new staff. Eighteen members of frontline staff terminated their employment at Gorwel in 2022/23. Ten members of Gorwel's frontline staff have terminated their employment up to quarter 2 of 2023/24. They have taken up roles in the statutory sector, which offers more favourable wages and employment conditions.

The frustration is that we know from studies that have been commissioned that the services that we provide ultimately save money. For every £1 invested in Gorwel's domestic abuse services, for example, £3.56 of social value is generated for the individual and the community. Similarly, for every £1 invested in Homelessness Prevention services, the social value generated is £9.

I trust that you, as the Finance Committee, will pay close attention to the concerns outlined above and will encourage the Welsh Government to increase the Housing Support Grant.

Sincerely,



Osian Gwyn Elis

Chief Officer, Gorwel

CC Mr John Griffiths MS, Chair of the Local Government and Housing Committee, Welsh Parliament.

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 12 : Ymateb gan: Sylfaen Banc Lloyds (Saesneg yn unig) | Response from: Lloyds Bank Foundation (English only)



Minister for Social Justice and Chief Whip
Welsh Government
5th Floor
Tŷ Hywel
Cardiff Bay
CF99 1NA

Wednesday 29th November 2023

Dear Peredur Owen Griffiths MS, Chair of the Finance Committee

I am writing on behalf of Lloyds Bank Foundation for England and Wales and our charity partners in Wales to provide insight and comment relevant to some aspects inquired about in question 7 of the current budget consultation. Our comments may be of interest to the Equality and Social Justice Committee and the Local Government and Housing Committee when they scrutinise the budget.

Lloyds Bank Foundation supports small and local charities that deliver vital work in local communities across Wales. In that capacity, we are concerned about these organisations' ability to keep meeting rising demand at the same time as they are seeing the costs of delivering services increase substantially. Our charity partners in Wales consistently report the increasing demands they are facing, with more people needing support and the complexity of need also growing as the cost-of-living crisis continues to most impact those already facing the greatest challenges. The recent closure of Chwarae Teg made headlines. Sadly, this may not be the last such story, unless action is taken now to sustainably support the sector.

We appreciate that this is a shared challenge experienced by the public sector too, and that some difficult choices may need to be made as Welsh Government allocates resources within a challenging fiscal environment. That said, progressive policy and legislation such as the Wellbeing of Future Generations Act, the Programme for Government and the Social Partnerships and Public Procurement Act, offer much to build on and it is clear that Welsh Government wants to ensure resilience and sustainability across sectors, in order to make Wales a more equal and more prosperous nation.

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?

Positives

- The Welsh Government's support to the sector during Covid and this year's proactive partnership with Community Foundation Wales were timely and welcome.
- The Third Sector team proactively and consistently engages with third sector organisations using a variety of methods, including via the WCVA and working closely with Funders through regular meetings and events. For example, there has been visible effort this year to engage relevant partners in shaping the revised Funding Code of Practice.
- It is positive that MSs hold funding surgeries and that many are actively engaged with charities providing valuable services in their constituencies. Several of our charity partners regularly connect with their elected constituency or regional representatives and this kind of relationship is beneficial for both parties. The Multi-bank partnership with Faith in Families in Swansea, and the Old Chapel Café in Saltney are examples of effective support leading to third sector doing what it does best.

Negatives

- The reality is that most third sector organisations are small and local charities, who do not have capacity to engage with Welsh Government without sufficient support. Capacity costs money and core costs need to be covered before any grant funding to increase capacity can be accessed.
- The capacity of WCVA has been reduced post-Brexit, as has funding to support infrastructure organisations across Wales, which poses a real threat to the level of support that can be provided to the sector.

Whatever money Welsh Government finds or allocates to the third sector, needs to be distributed in a sustainable way that reflects inflation and any cost-of-living increases.

Of course, the challenge here is that inflation has reduced the budget this year, and finding new ways of working takes time. This links to the next question.

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning? Has there been adequate investment from the Welsh Government in basic public sector infrastructure?

Agreeing to the local government pay award this year and not reducing local government budget wherever possible is a clear indicator that Welsh Government sees value in offering what it can to local government. Likewise, the continued, sizeable investment in the NHS shows where Welsh Government's priorities lie.

However, the reality is that there is increasing demand on services and paying public sector staff will need to come out of the stated budget. This could lead to a reduction in services or a temptation to in-source work as some public sector bodies may not feel able to sustain existing contracts with external delivery partners.

Part of the solution here, is not necessarily more money, but better collaboration and partnership with delivery partners, including third sector organisations, directly.

Audit Wales' Good Practice Exchange, and the National Commissioning Board coordinated by WLGA are doing excellent work to promote best practice and innovation that leads to increased impact and income maximisation. In some contexts, contract alliancing may offer a solution. For example, one of our charity partners is part of an alliance in Cardiff, which is building positive partnerships in health and social care within a complex context.

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?

1) The new Ways of Working strategy is a chance to do things differently

The five-fold increase in budget for Senedd reform and the increased focus on regional working offer the Welsh Government a chance to connect more directly with people across communities in Wales. Assuming that improved dialogue leads to improved understanding, the success of this increased engagement and representation will be measured in better decision-making at regional and national levels.

Crucial to successful implementation and development of a Wellbeing Economy, will be the third sector. People working for or accessing services from small and local charities rooted in their communities will be key voices to listen to.

The Third Sector Partnership Council and the Third Sector Support Wales goes some way to promoting dialogue between Welsh Government and the sector, however the vast majority (over 96 per cent) of the sector are small and local organisations, whose voice is not directly represented by the Council.

Lloyds Bank Foundation is currently hosting a Welsh Small Charities Forum that has proved a valuable space for discussion on issues of shared concern to small charities working across diverse local communities in Wales. Sadly, many report that they do not feel they are treated as equal partners when it comes to decision-making, and they describe complex challenges with how commissioning and procurement works.

We look forward to the establishment of the Social Partnerships Council and expect that the Third Sector representative will offer a crucial perspective.

2) Procurement reform

The comprehensive set of procurement policy changes currently being undertaken by Welsh Government are a key lever to drive successful implementation and impact. As a Foundation, we are pleased to see a shift to funding the Most Advantageous Tender (as opposed to the former ‘most *economically* advantageous tender’), as this allows for a more comprehensive valuing of services.

Currently, however, not all public sector commissioning bodies fully understand the additionality offered by small charities, particularly when it comes to prevention (and cost savings). This is where funders such as Lloyds Bank Foundation can support Welsh Government in developing stronger data and evidence related to social value and national objectives such as wellbeing outcomes linked to the Future Generations Act.

The essential work provided by charities merits support not only because of the essential services they provide, but also because they take resource pressure off the public sector. We know from independent research commissioned by the Foundation, [‘Value of Small’](#) and [‘Value of Small in a Big Crisis’](#), how important small and local charities are. The research shows that small and local charities are a vital and distinctive component of the social and economic fabric of communities across England and Wales. Their

distinctiveness, trustworthiness, and adaptability make them especially well-placed to respond to crisis which makes it particularly important to ensure they are supported at this time. At Lloyds Bank Foundation, we provided additional funding to our charity partners to try and help them meet rising costs, but the level of rising costs facing charities is not something we can address alone. More support is needed from Welsh Government. Without adequate funding, there is a danger that vital services may be lost.

3) Bring money into Wales – and keep it in Wales

The UK Shared Prosperity Fund, Levelling Up funds, dormant assets and a fair portion of the consequential from DCMS funding should all be tapped in to in order to support the voluntary sector as a key component of the Wellbeing Economy, stated as a Future Generations mission for 2023 – 2030.

In England, much of the funding announced in the 2023/24 Budget was allocated to a new [Community Organisations Cost of Living Fund](#) and we are keen to support Welsh Government to find its own way to ensure similar organisations in Wales can benefit from any funding available at this challenging time.

In addition to calls for a Community Wealth Fund for Wales and upcoming opportunities to use dormant assets across Wales, there is an urgent need to ensure that any available funds can reach those charities that need additional funding now. The consequential funding via DCMS offers a vital opportunity. Consistently allocating a sufficient portion of the DCMS consequential towards charities, particularly those that are small and local, would help to ensure that charities supporting people affected by domestic abuse, facing homelessness or at risk of modern slavery for example, can access support to help them meet rising costs and provide ongoing support in the community.

Encouraging longer-term, sustainable funding of essential services provided by small and local delivery partners will also help to keep jobs in a local area and through this employment, keep money moving in Wales.

We would be pleased to support and would appreciate the opportunity to discuss how we might work with you to secure additional funding for charities in Wales.

Yours sincerely,
Kelly Huxley-Roberts
Wales, Policy and Partnerships Manager

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 13 : Ymateb gan: Y Brifysgol Agored (Saesneg yn unig) | Response from: The Open University (English only)



Response to call for information

The Welsh Government's 2024–25 Draft Budget Proposals

The Open University in Wales is pleased to have the opportunity to respond to the committees of the Senedd's consultation to inform their scrutiny of the Welsh Government's 2024–25 draft budget proposals.

Committees' scrutiny will take place at a time of severe pressure on public finances, and it follows that the same kind of pressure is being felt by public bodies and services, businesses, communities, and households across Wales.

In this response, we will set out some of the challenges that we as a university are facing, and the need for sustained investment in the sector as the Commission for Tertiary Education and Research starts its work.

Summary

- The Open University in Wales is the largest provider of part-time higher education in Wales and has sustained growth in the part-time sector since the reform of the student finance system.
- Despite this, the amount of funding we receive per full-time equivalent student has fallen significantly in actual and real terms since the reforms.
- HEFCW acknowledges that part-time higher education is underfunded but is unable to resolve this issue without additional funding or moving funding away from other areas of higher education.
- The maximum amount that students can borrow to fund part-time higher education has remained static since 2012/13. This amount is worth 27% less in real terms today than it did when it was set.
- These pressures, together with the removal of additional funding in 2021, mean we are under increasing pressure. This pressure is constraining our ability to deliver transformative higher education to people in some of Wales' most underprivileged communities and to contribute to economic growth.

Background

The Open University in Wales is Wales' largest provider of part-time undergraduate higher education. With over 15,500 students, we are the country's fourth largest university overall, and have the distinction of being the only university with students in every Senedd constituency.

Since the reform of the student finance system in 2018, we have supported significant growth in the number of students choosing to take up the opportunity of distance higher education. Indeed, we are now double the size we were before the reforms.

In light of this growth, we now represent more than 50% of the entire part-time market in Wales. Indeed, without the growth that we have supported, the size of the part-time market would have shrunk since the introduction of the new student finance system.

We are particularly proud of how we have supported yet more students from some of Wales' most underprivileged communities to study with us, while remaining in their communities. We also have a large proportion of students who are working while studying, and who have disabilities.

Funding challenges

Despite the role we have played in growing the part-time sector and thereby delivering a key Welsh Government policy priority, we are now getting to a point where the public funding we receive is insufficient.

Our funding is made up of a number of elements, and the value of all of these combined has been falling for some years. In fact, the value of the funding we receive (for part-time provision) continues to fall relative to the funding that other universities receive for their full-time provision.

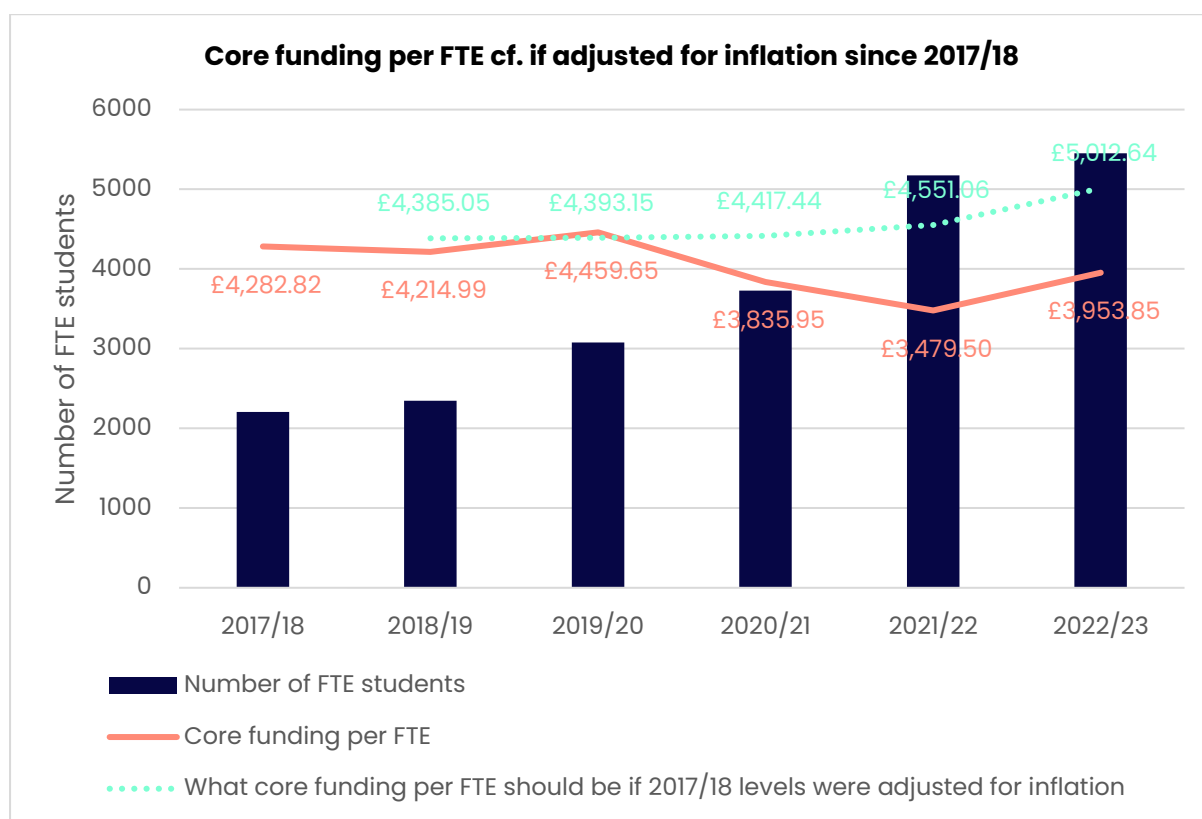
In carrying out their scrutiny of the draft budget, we encourage committees to take care fully to appreciate that raw numbers might not always tell the full story. By way of an illustrative example, the blue bar in the graph that follows shows that student numbers at the OU have grown year on year.

Meanwhile, the amount of core funding we receive per full-time equivalent

student (orange line) has fluctuated. Despite our growth, it has mostly been below the value of the funding we received in 2017/18, and still in 2022/23 was more than £300 less per FTE.

In real terms, the difference is even starker. Had the amount of funding we had per FTE in 2017/18 have risen in line with inflation, it would have increased annually to just over £5,000 in 2022/23. What we received in reality fell more than £1,000 short of this (green line).

This would not have been immediately obvious without interrogating the context of growth in total funding numbers.



Under-funding of part-time higher education

From 2021 to late 2022, the Higher Education Funding Council for Wales conducted a review of its teaching funding methodology. We engaged constructively in the review throughout. The review concluded that part-time higher education is underfunded relative to full-time higher education, but that, in order to resolve this longstanding issue,

“[HEFCW] would need to be in receipt of additional funds from Welsh

Government, or be required to accept substantial shifts in funding between providers and between undergraduate modes of study leading to potential destabilisation of some provision, which could go against other policy intentions such as supporting expensive and higher costs subjects.”

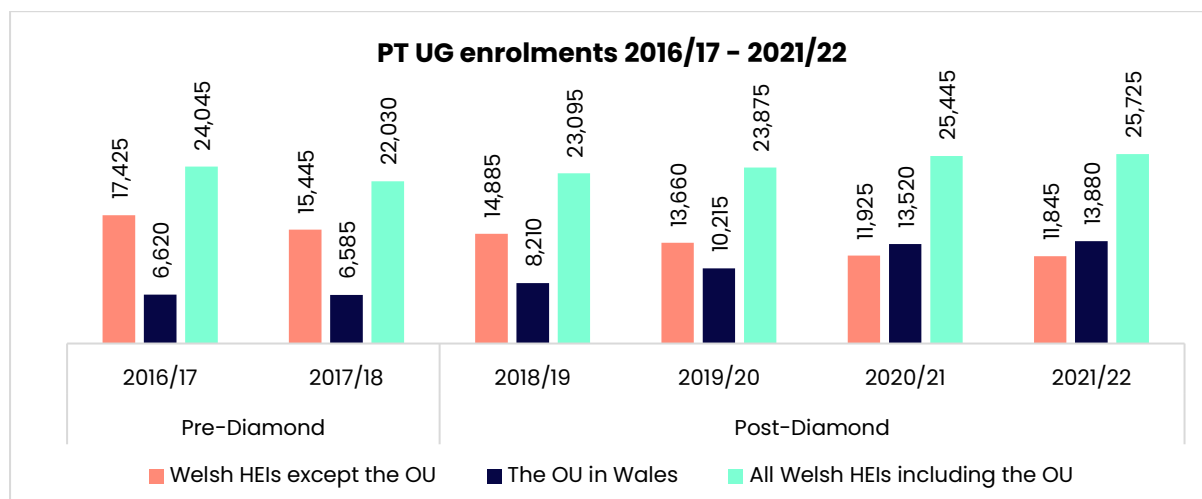
Additional funds were made available to support expensive and higher cost subjects in the full-time sector in 2021/22. Despite the Minister for Education and Welsh Language's remit letter to HEFCW requiring that this kind of support be made available to both the full-time and the part-time sectors, the part-time sector received no equitable support.

Committee colleagues will recall that Prof Sir Ian Diamond's review of higher education funding and student finance arrangements recommended an additional £63 million (2015/16 prices) of funding for part-time higher education. This has never been achieved, and in fact falls some way below this level.

This goes some way to explaining why most part-time provision in the wider sector outside The Open University in Wales has reduced to the point where it is almost non-existent. Increasingly over the past decade or so, those universities whose main or only form of provision is full-time would have to cross-subsidise their part-time provision from their full-time fee income, and other sources of income.

In that context, and as universities across the board come under increasing pressure, colleagues will understand why much part-time provision across Wales has now been withdrawn, to the point where the majority of part-time provision in Wales is now offered by one institution: the OU.

The graph below shows how part-time undergraduate enrolments have grown since the reform of the student finance system. The green bars show almost 17% of growth across all universities including the OU in Wales. However, the orange bars show more than 23% of reduction across all university excluding the OU in Wales. What this tells us is that the 110% growth at the OU in Wales alone, shown by the blue bars, has sustained any growth in the take up of part-time higher education.



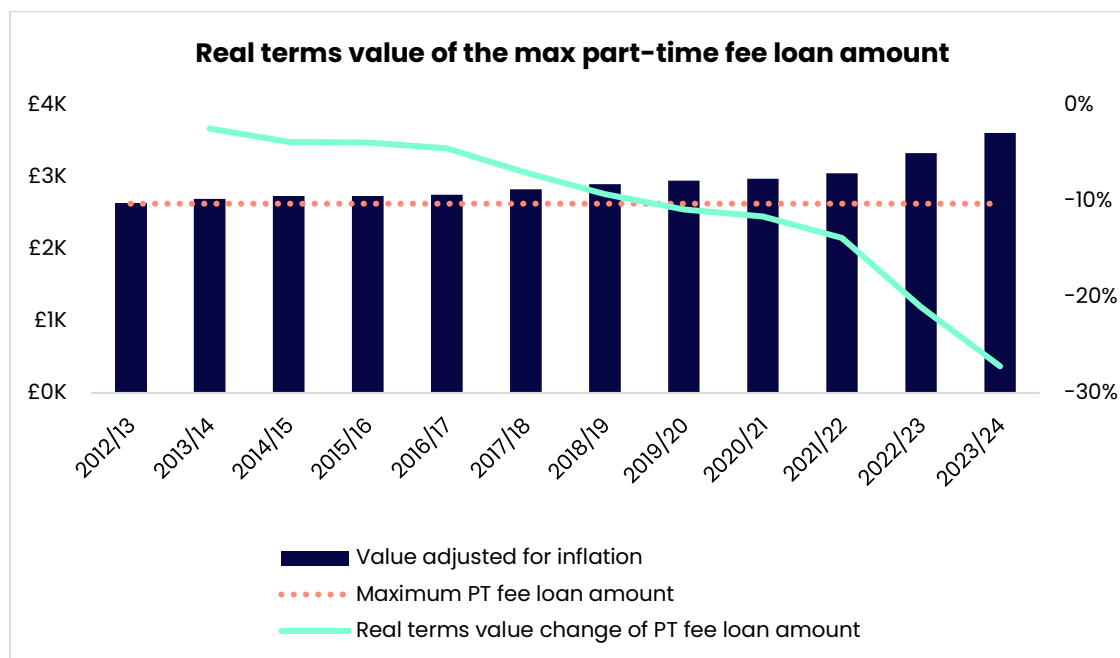
Resolving this significant issue will now be a matter for the Commission for Tertiary Education and Research. We are seriously concerned, however, that any continued reduction to the Education and Welsh Language MEG could lead to an inability to do anything but tinker around the edges of the problem.

This will also have the effect of increasing the pressure on the CTER budget before it even begins its work. It will be operationalised with high expectations, and it is true that it will have some substantial projects and systems changes to deliver. These will require not just funding, but investment.

Maximum part-time fee loan amount

One of the issues that is compounding the pressure on our funding is that the fee loan limit for part-time higher education has remained static at £2,625 since 2012/13. Adjusted for inflation, that is the equivalent of £3,607 in today’s money.

The graph below shows how the value of the maximum part-time fee loan amount of £2,625 has changed in real terms since it was set in 2012/13. Over time, as inflation has continued year on year, the value of that amount has fallen, such that by the current academic year, its value has decreased by more than a quarter. The blue bar shows the actual amount (static at £2,625) while the orange bar shows what it would be had it have kept pace with inflation; the green line shows its decreasing real terms value.



While the Welsh Government had indicated its willingness to work with us to increase the maximum fee loan amount, this is now being paused due to capacity and funding issues within Welsh Government.

We think this would be a relatively cheap measure that would be an important part of a wider suite of measures to help sustain part-time higher education; if even this is unachievable in the current climate, we have serious concerns about the feasibility of other much-needed measures aimed at resolving our longstanding funding challenges.

Universities are, of course, not prevented from charging part-time fees that are over the maximum amount that students can borrow; indeed, some do. The Open University in Wales has always taken the view that we would not want to do that, because to do so would run the risk of making our provision less accessible.

Removal of strategic funding from the OU in Wales

One of the other issues that is compounding our challenges is the removal of mitigation funding from The Open University in Wales. This had been granted to us until 2020/21 in recognition of the fact that, as a wholly part-time provider, we are not able to cross-subsidise our part-time provision in the way that full-time providers are theoretically able to. In 2020/21, this additional funding amounted to some £1.655 million.

In 2021, this funding was removed, and replaced with around £1 million less of strategic funding. HEFCW's rationale for its removal was that we were expected to benefit from new funding pots (e.g. the Research Wales Innovation Fund and capital funding). HEFCW also said that part of its reasoning was because it proposed to "continue to incentivise growth in PT UG provision".

While we have indeed benefited from Research Wales Innovation Fund and capital funding, the challenge we face is that these are hypothecated for specific projects and purposes. They do not fund teaching and learning.

The other challenge, simply, is that no new measures have been implemented to incentivise growth in part-time undergraduate provision.

Conclusion

What this response demonstrates is that the very real challenge we are facing is that our ability to serve our communities and our economy is being, and will be increasingly, constrained by the continued underfunding of even our core provision, and the inability of either our funder or the Welsh Government to resolve this problem.

We have seen, and continue to see, the amount of funding we receive per full-time equivalent student falling; a persistent under-funding of part-time higher education compared with the recommendations of Prof Sir Ian Diamond; and a fee loan cap which continues to be static at 2012/13 levels.

As a result of the extreme financial pressure on part-time higher education, most other universities have withdrawn some or most of their part-time offering, and even then, some are charging above what students can borrow to fund their studies.

The OU in Wales is the main provider of part-time higher education, and we are now getting to a point where we may be unable to sustain any more growth.

We are the only university in Wales whose entire student population is Welsh domiciled. This is because our model enables people to take up the life-changing opportunity of part-time higher education while remaining in their own communities.

The funding pressures we are facing have an inevitable impact on our ability to deliver the kind of provision which has been so transformative for so many people. They also constrain our ability to contribute to effective workforce planning, to deliver on the well-being goals, and invest in the green economy.

Those pressures also constrain our ability to innovate. It is well established that there will be more demand for different kinds of provision in the future, such as degree apprenticeships, short courses, and other types of 'alternative' provision, but developing and delivering these requires funding.

In their scrutiny of the Welsh Government's 2024-25 draft budget proposals, we strongly urge the Senedd's committees to consider the extent to which those proposals might start to resolve these longstanding funding challenges, which are growing more pressing, and enable the development of part-time, distance, and flexible learning opportunities for the benefit of Wales.

It is also noteworthy that this budget scrutiny will be taking place just a few short months ahead of the operationalisation of the Commission for Tertiary Education and Research. CTER's job will be to deliver a world-class post-16 education and training sector; sustained and sufficient funding will be essential to enable it, and all providers, to deliver on that mission.

Therefore, we also encourage committees to consider the extent to which the proposals might enable the Commission for Tertiary Education and Research to live up to the high expectations that many have for it, in terms of delivering an innovative and joined-up tertiary education system which serves students, providers, communities, and the economy well.

We are grateful for the opportunity to submit this response, and remain at the disposal of any of the Senedd's committees to provide further input, either in writing or verbally, if that would be useful.

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 14 : Ymateb gan: Cyngor Gweithredu Gwirfoddol Cymru (CGGC) |
Response from: Wales Council for Voluntary Action (WCVA)





Cyllideb Ddrafft Llywodraeth Cymru 2024-25

YMATEB GAN CGGC

1. [Cyngor Gweithredu Gwirfoddol Cymru \(CGGC\)](#) yw'r corff aelodaeth cenedlaethol ar gyfer y sector gwirfoddol yng Nghymru. Ein pwrpas yw galluogi mudiadau gwirfoddol i wneud mwy o wahaniaeth gyda'i gilydd.

ARGYMHELLION ALLWEDDOL

2. Gobeithiwn weld cyllideb:

- Sy'n cael ei harwain gan egwyddorion y [Cod Ymarfer ar gyfer Ariannu'r Trydydd Sector](#)
- Sydd wedi ei hasesu yn erbyn cyd-destun ehangach pwysau ariannol parhaus, gan sicrhau dull gweithredu cydlynol nad yw'n effeithio'n anghymesur ar y sector gwirfoddol
- Sy'n cael ei chyfathrebu'n dryloyw o ran y prosesau gwneud penderfyniadau a'r data cyllido sydd ar gael i'r cyhoedd mewn ffordd glir a chynhwysfawr

EFFAITH CYLLIDEB 2023-2024 AC EDRYCH TUA'R DYFODOL

Yn eich barn chi, beth fu effaith Cyllideb 2023-2024 Llywodraeth Cymru, gan gynnwys cyllid sy'n gysylltiedig ag adfer ar ôl y pandemig?

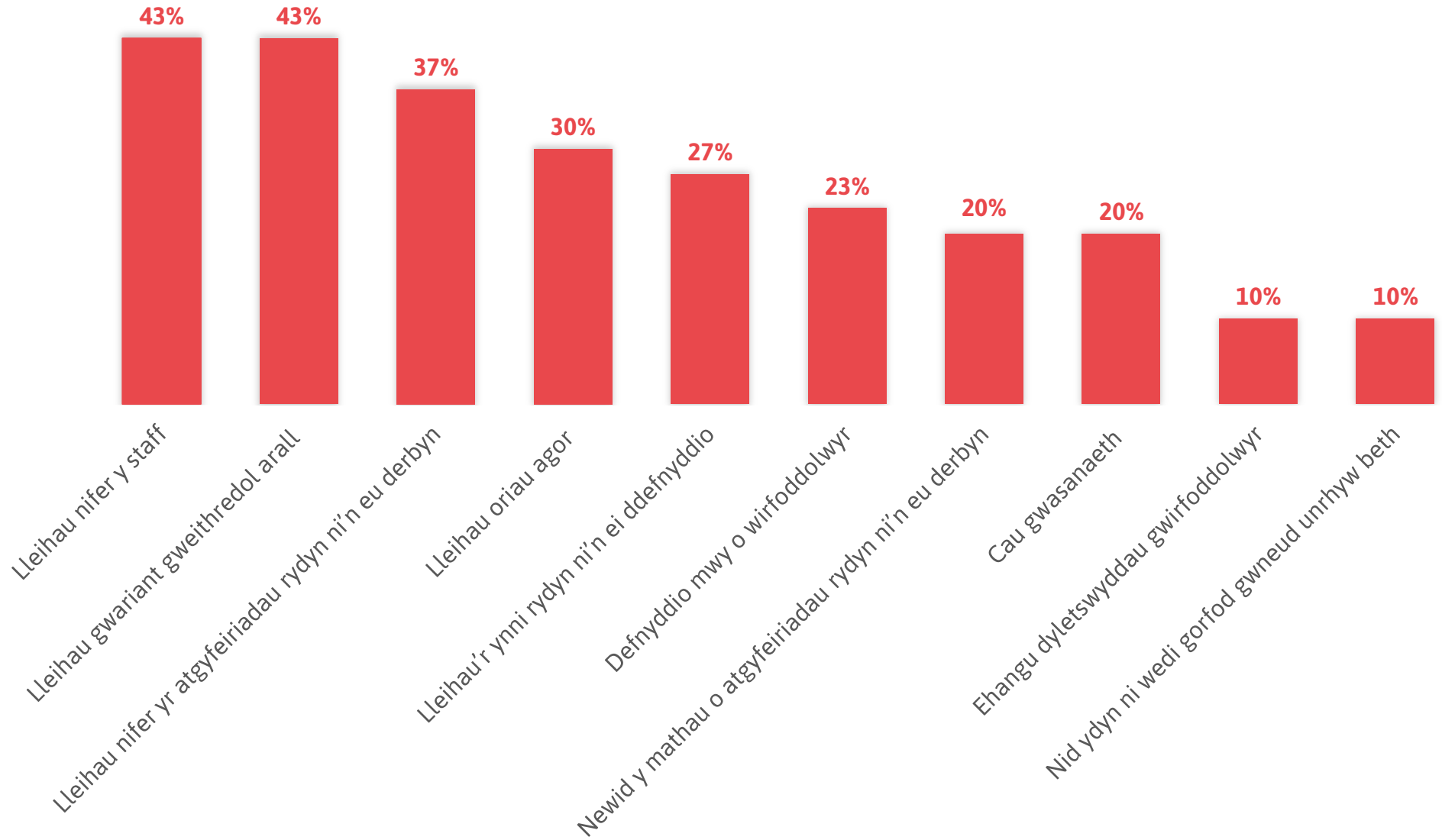
3. Yn wahanol i flynyddoedd ariannol 2020-22, ni dderbyniodd y sector gwirfoddol unrhyw gyllid eleni oedd yn benodol gysylltiedig ag adfer ar

ôl y pandemig. Canfu arolwg o dros 300 o dderbynwyr [Cronfa Gwydnwch Trydydd Sector Cymru](#) fod y rhan fwyaf o'r ymatebwyr yn disgwyl i recriwtio staff a chynhyrchu incwm masnachu yn ystod y 12 mis nesaf fod yn 'hynod heriol', gyda chynnydd mewn cyflogau a chostau staff yn cael eu disgrifio i fod yn 'hynod heriol'. Mae'r sector yn dal i ddelio â chanlyniadau pandemig Covid-19, yn ogystal â heriau ychwanegol yr argyfwng costau byw a chyflwyno araf [Cronfa Ffyniant Gyffredin y DU \(UKSPF\)](#) (Saesneg yn unig). Er ein bod yn cydnabod nad yw cyflenwi'r UKSPF wedi'i ddatganoli, mae effeithiau cymhleth yr holl ffactorau hyn wedi gadael llawer ar draws y sector mewn sefyllfa ariannol ansicr. Mae'r rhewi cyllid canol blwyddyn diweddar a'r cyhoeddiadau ynghylch toriadau yn y gyllideb gwasanaethau cyhoeddus wedi gwaethygu pryderon llawer o fudiadau gwirfoddol sy'n cyflenwi contractau cyhoeddus.

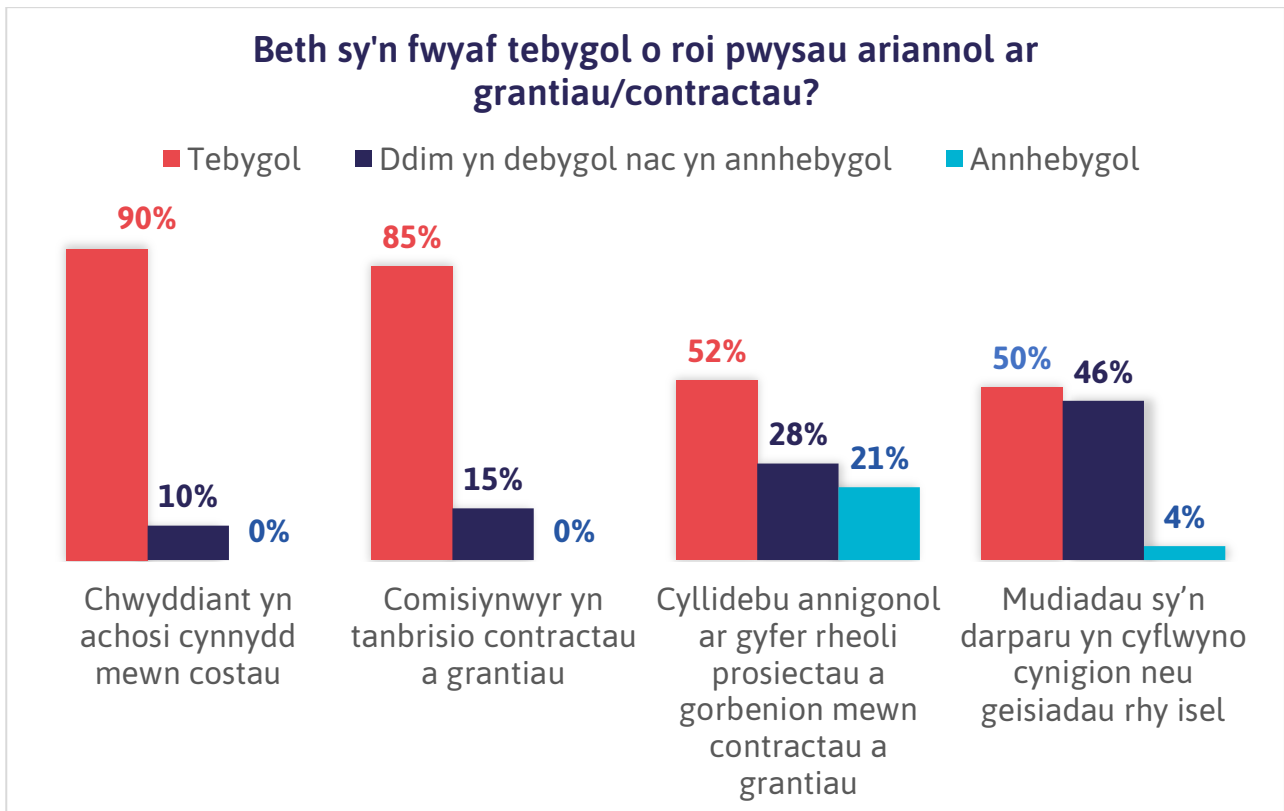
A yw'r cymorth a ddarperir gan Lywodraeth Cymru i fudiadau'r trydydd sector, sy'n wynebu mwy o alw am wasanaethau o ganlyniad i'r argyfwng costau byw a'r pandemig, yn ddigonol?

4. Yn ein barn ni, nid yw'r lefel bresennol o gefnogaeth yn ddigonol. Wrth i chwyddiant barhau i fod yn uchel ac wrth i'r argyfwng costau byw waethygu, rydym yn deall yr heriau sy'n wynebu cyllidwyr cyhoeddus a'r rheini sy'n gwneud penderfyniadau, ac y bydd yn rhaid gwneud penderfyniadau anodd i gydbwysu cyllidebau a lleihau effeithiau negyddol ar bobl ac ar y blaned. Mae mudiadau gwirfoddol ledled Cymru ar flaen y gad o ran cefnogi'r bobl fwyaf agored i niwed mewn cymdeithas ac rydym yn gweld yr effeithiau hynny'n uniongyrchol.
5. Mae mudiadau gwirfoddol yn mynd i'r afael â phwysau ariannol a gweithredol aciwt. Dywedodd 80% o ymatebwyr i'n harolwg ym mis Hydref 2023 o mudiadau gwirfoddol sy'n darparu contractau gwasanaethau cyhoeddus na allent fodloni'r galw presennol am wasanaethau. Dywedodd 93% eu bod eisoes yn rhoi cymhorthdal i'r gwasanaethau statudol maent yn eu darparu ac mae 90% eisoes wedi cymryd camau eraill mewn ymateb i gyfyngiadau ariannol eu grant neu gontract.

Beth ydych chi wedi'i wneud i redeg eich gwasanaethau o fewn cyfyngiadau ariannol eich contractau a/neu grantiau?



6. Dywedodd 60% o'r mudiadau a holwyd eu bod un ai'n ystyried, neu eu bod wedi penderfynu peidio â thendro am gontractau newydd neu ail-dendro, ar ôl i'w rhwymedigaethau presennol ddod i ben. Roedd 85% yn teimlo bod comisiynwyr sy'n tanbrizio contractau a grantiau yn debygol o roi pwysau ariannol ychwanegol ar y sector.



Beth yw'r cyfleoedd allweddol i Lywodraeth Cymru fuddsoddi mewn cefnogi economi a gwasanaethau cyhoeddus sy'n cyflawni'n well yn erbyn y nodau llesiant yn Neddf Llesiant Cenedlaethau'r Dyfodol?

7. Mae gweithio mewn partneriaeth â'r sector gwirfoddol, gan gynnwys drwy fuddsoddiad wedi'i dargedu, yn gyfle allweddol i gyflawni'n well yn erbyn y nodau llesiant yn Neddf Llesiant Cenedlaethau'r Dyfodol. Mae [Dangosydd Llesiant Cenedlaethol 28: Canran y bobl sy'n gwirfoddoli ar eu pennau eu hunain \(Saesneg yn unig\)](#) yn cael ei fapio yn erbyn saith o'r wyth Nod Llesiant Cenedlaethol.
8. Mae mudiadau gwirfoddol yn arbenigo mewn sicrhau bod buddsoddiadau cymharol fach yn cael effaith gymdeithasol fawr. Yn ystod y flwyddyn ariannol ddiwethaf, mae'r Partneriaethau Natur Lleol,

drwy raglen Lleoedd Lleol ar gyfer Natur Llywodraeth Cymru, wedi creu dros 70 o fannau gwyrdd newydd ac wedi gwella bron i 200 o fannau gwyrdd sydd eisoes yn bodoli. Bu hefyd yn gweithio gyda chynghorau lleol i newid arferion torri gwair mewn 326 o safleoedd ac i blannu mwy o flodau gwyllt mewn 276 o safleoedd. Mae mudiadau gwirfoddol nid yn unig yn cyflawni er budd natur ac yn ein helpu i gyflawni ein hymrwymiaid hinsawdd a bioamrywiaeth fel cenedl, ond maent hefyd yn cynnwys, yn hysbysu ac yn ysbrydoli cymunedau i [ofalu am eu mannau gwyrdd lleol, datblygu sgiliau newydd](#), treulio amser ym myd natur a [chefnogi polisiâu amgylcheddol \(Saesneg yn unig\)](#).

9. Mae'r sector gwirfoddol yn darparu rhwydwaith unigryw o gefnogaeth hygyrch, lleol ac arbenigol i bobl a chymunedau ledled Cymru. Rydym yn chwarae rhan hollbwysig yn y gwaith o atal ac ymyrryd yn gynnar drwy ddarparu gwasanaethau cymorth cofleidiol sy'n ategu darpariaeth gyhoeddus ac sy'n hyrwyddo llawer o'r Nodau Llesiant Cenedlaethol.
10. Byddai dilyn ein [tri argymhelliad allweddol](#) ac, yn benodol, ymgorffori'r [Cod Ymarfer ar gyfer Ariannu'r Trydydd Sector](#) mewn prosesau gwneud penderfyniadau yn helpu Llywodraeth Cymru i ddangos ei bod yn defnyddio'r [Pum Ffordd o Weithio](#).
11. Credwn y gall y sectorau cyhoeddus a phreifat ddysgu o'r dull gweithredu sy'n seiliedig ar werth y mae mudiadau gwirfoddol a mentrau cymdeithasol yn ei weithredu wrth gynllunio strategol a gweithredu o ddydd i ddydd. P'un ai drwy fabwysiadu fframwaith llinell waelod triphlyg neu arferion cyd-gynhyrchu, mae'r glasbrintiau o sut i sbarduno newid cadarnhaol eisoes yn bodoli. Bydd partneriaeth agosach gyda'r sector gwirfoddol yn hwyluso trosglwyddo gwybodaeth ac arbenigedd yn y maes hwn.
12. Mae [Cynllun Grant Strategol Gwirfoddoli Cymru](#) yn enghraifft wych o'r ffyrdd y gall llywodraeth hwyluso cydweithio traws-sectoraidd a chynorthwyo gwasanaethau cyhoeddus i gyflawni yn erbyn nodau llesiant Deddf Llesiant Cenedlaethau'r Dyfodol. Mae'r cynllun hwn wedi ariannu prosiectau megis [partneriaeth](#) Cyngor Bwrdeistref Sirol Caerffili â [Chymdeithas Mudiadau Gwirfoddol Gwent \(GAVO\)](#) i ddatblygu Cynllun Gwirfoddoli safonol i weithwyr, y gellid ei efelychu ar draws pob sir yng Nghymru.

Pa mor barod yn ariannol yw eich mudiad ar gyfer blwyddyn ariannol 2024-25, sut bydd chwyddiant yn effeithio ar eich gallu i gyflawni amcanion a gynlluniwyd, a pha mor gadarn yw eich gallu i gynllunio ar gyfer y blynyddoedd i ddod?

13. Mae CGGC wedi mynd drwy newid sylweddol i baratoi'r mudiad ar gyfer diwedd cyllid yr UE a'r hinsawdd ariannol yr ydym i gyd yn gweithio drwyddi. Rydym wedi ailstrwythuro'r mudiad, gan golli gallu a chapasiti, ond rydym wedi gwneud y penderfyniadau anodd hyn fel ein bod yn gynaliadwy yn ariannol ac yn parhau i allu cefnogi'r sector gwirfoddol yng Nghymru. Rydym yn monitro ein cyllidebau'n ofalus ac effeithiau chwyddiant ar ein gallu i recriwtio, cadw a chyflawni, ond nid oes amheuaeth bod y rhagolygon yn dal i fod yn heriol i ni ein hunain ac i lawer o fudiadau yn y sector gwirfoddol.

14. Nododd [Cefnogi Trydydd Sector Cymru](#) gynnydd o 19% yn yr amser sy'n cael ei dreulio'n cefnogi'r sector rhwng mis Gorffennaf a mis Medi 2023, o'i gymharu â'r un cyfnod yn 2022 – cyfanswm o 12,574 awr, gyda 43 munud ar gyfartaledd ar bob rhyngweithiad. Mae hyn wedi cyd-daro â chynnydd o 8% yn nifer y mudiadau sy'n cael eu cefnogi gan gyngor uniongyrchol. Mae'r ffigurau hyn yn arwydd clir o gymhlethdod cynyddol y materion y mae mudiadau gwirfoddol yn eu hwynebu. Mae'n dangos pwysigrwydd hanfodol cyrff cyhoeddus sy'n gweithio gyda seilwaith y sector gwirfoddol i helpu i gefnogi pobl a chymunedau yn ystod y cyfnod anodd hwn.

TRYLOYWDER AC ATEBOLRWYDD

Sut dylai Llywodraeth Cymru egluro ei phenderfyniadau cyllido, gan gynnwys sut mae ei gwariant yn cyfrannu at fynd i'r afael â materion polisi?

15. Rydym yn gwerthfawrogi bod yr amserlen fer rhwng Datganiad yr Hydref a chyhoeddiad cyllideb drafft Llywodraeth Cymru yn cyflwyno cyfyngiadau ar yr hyn y gall Trysorlys Cymru ei gynhyrchu ochr yn ochr â'r gyllideb. Fodd bynnag, rydym yn credu y gellid rhannu mwy o'r wybodaeth sydd ar gael gyda'r cyhoedd. Fel arfer, rydym yn gweld ymatebion gweinidogion unigol yn amlinellu'r goblygiadau polisi yn eu portffolios yn ystod yr wythnosau ar ôl cyhoeddi'r gyllideb. Dylid edrych

ar gyhoeddi'r ymatebion hynny ar yr un pryd â'r gyllideb ddrafft. Gallai'r ymatebion ddangos yn gliriach y meini prawf a'r blaenoriaethau y tu ôl i'r penderfyniadau. Byddai hyn, ochr yn ochr â chyhoeddi amserol, yn galluogi rhanddeiliaid i gymryd rhan yn y broses graffu yn fwy effeithiol.

Sut gellir gwella'r dogfennau a ddarperir gan Lywodraeth Cymru ochr yn ochr â'i Chyllideb Ddrafft?

16. Dylai tablau'r Llinellau Gwariant yn y Gyllideb fod â defnydd cyson o iaith a dulliau gweithredu dros y blynyddoedd er mwyn ei gwneud yn haws olrhain llinellau cyllideb y tu allan i'r Llywodraeth. Mae'r anghysonderau yn y modd y cyflwynir gwybodaeth yn ei gwneud yn anodd iawn i fudiadau arbenigol, heb sôn am grwpiau gwirfoddol llai neu'r cyhoedd, ddehongli'r data ac, felly, mae'n cyfyngu ar ein gallu i graffu arno.
17. [Mae tystiolaeth ysgrifenedig gweinidogion i bwyllgorau craffu'r Senedd ar ddyraniadau ym mhob Prif Grŵp Gwariant](#) yn crynhoi ymatebion gweinidogion unigol yn ddefnyddiol, ond gellid ei darparu'n fwy amserol a'i chyflwyno mewn fformat mwy hygyrch. Er bod rhai gwelliannau bach wedi cael eu gwneud y llynedd, gan gynnwys darparu tudalen gynnwys, mae'r ddogfen yn dal yn hir iawn ac yn anodd ei defnyddio. Dylai'r ddogfen hon hefyd gysylltu ag Asesiadau Effaith Integredig (IIAs) a gynhelir ar wahân i'r Asesiad Effaith Integredig Strategol (SIIA) sydd yn y gyllideb ddrafft.
18. Mae gwelliannau wedi cael eu gwneud i'r grynodeb SIIA a ddarparwyd yn nogfennau'r gyllideb ddrafft, ond mae angen gwneud mwy o waith. Nid yw'r crynodeb yn ymdrin yn ddigonol â'r effeithiau – y rhai cadarnhaol a'r rhai negyddol. Mae'n ddefnyddiol cael rhywfaint o'r wybodaeth gyd-destunol a arweiniodd at benderfyniadau cyllido penodol, ond mae angen rhoi mwy o bwyslais ar yr effeithiau posibl a nodwyd drwy gydol y broses o wneud penderfyniadau.
19. Mae'r astudiaethau achos a ddarparwyd yn y crynodeb SIIA yn gipolwg defnyddiol ar y broses SIIA, ond nid ydynt yn cyflwyno darlun cytbwys. Mae'r astudiaethau achos yn canolbwyntio'n gyfan gwbl ar yr effeithiau cadarnhaol, gan ei gwneud yn anodd deall sut mae penderfyniadau'n cael eu gwneud pan nodir effaith negyddol. Byddai arddangos y broses

o wneud penderfyniadau yn yr achosion hynny yn gwella tryloywder yn sylweddol.

Sut mae dystiolaeth a data yn gyrru blaenoriaethau Llywodraeth Cymru a dyraniadau cyllideb, ac a yw'r dull hwn yn glir?

20. Mae'r dystiolaeth gyd-destunol a ddarparwyd drwy ddogfennau ategol y gyllideb ddrafft, gan gynnwys y crynodeb SIIA ac adroddiad y Prif Economegydd, yn rhoi trosolwg da o ystyriaethau ar y lefel strategol (dyraniad i'r Prif Grwpiau Gwariant). Nid yw'r data a'r dystiolaeth a ddefnyddir i lywio penderfyniadau ar lefel portffolio (dyraniad o fewn Prif Grwpiau Gwariant) ar gael mor rhwydd. Gellir gwneud y dull o ddyrannu o fewn Prif Grwpiau Gwariant yn gliriach drwy gynnwys mwy o ddata a thystiolaeth yn adroddiadau'r gweinidogion unigol.

NEWID YN YR HINSAWDD A'R ARGYFWNG BYD NATUR

A yw cynlluniau Llywodraeth Cymru i adeiladu economi wyrddach yn glir ac yn ddigon uchelgeisiol? Ydych chi'n credu bod digon o fuddsoddiad yn cael ei dargedu i fynd i'r afael â'r argyfwng hinsawdd a natur? A oes unrhyw fylchau posibl o ran sgiliau y mae angen mynd i'r afael â hwy er mwyn cyflawni'r cynlluniau hyn?

21. Yn ddiweddar, chwaraeodd CGGC rôl gydgysylltiol yn y gwaith o ddatblygu cynllun busnes ar gyfer [Gwasanaeth Natur Cymru](#) (GNC). Mae cynlluniau tebyg wedi gweld llwyddiant cychwynnol mewn gwledydd eraill. Drwy'r gwaith hwn a'r gwaith rydym ni'n ei wneud gyda Phartneriaethau Natur Lleol ledled Cymru, rydym ni'n deall bod angen datrys bwlch sgiliau sylweddol i ddiogelu stiwardiaeth a gwella cyfalaf naturiol Cymru at y dyfodol.

22. Mae cyfalaf naturiol yn cyfrannu [£6bn at economi flynyddol Cymru](#). Bydd datblygu'r sgiliau sydd eu hangen i adfer a gwella'r amgylchedd naturiol yn hanfodol ar gyfer datblygu economi wyrddach Cymru yn gynaliadwy. Rydym yn argymhell bod Llywodraeth Cymru yn ystyried buddsoddiad ystyrlon a hirdymor drwy fentrau sy'n galluogi ac yn cymhell pobl ifanc, a'r rheini sy'n dymuno gweithio yn y sector amgylcheddol yn gyffredinol, i ddatblygu sgiliau. Bydd hyn yn helpu i greu economi werdd gynaliadwy yng Nghymru.

23. Mae Gwasanaeth Natur Cenedlaethol Cymru yn canolbwyntio ar gynhwysiant a budd i bawb. Mae CGGC yn cefnogi'r rhwydwaith presennol hwn fel cyfrwng tymor hir, nid yn unig i gyrraedd, ond hefyd i arwain y gwaith o weithredu dulliau sy'n cyfrannu at sicrhau bod Llywodraeth Cymru yn cyflawni dyfodol di-garbon.
24. Er mwyn adeiladu ar y ddarpariaeth gyfredol a ddarperir gan Bartneriaethau Natur Lleol ledled Cymru, mae CGGC yn argymhell bod Gwasanaeth Natur Cenedlaethol Cymru yn cysylltu'n uniongyrchol â'r Partneriaethau Natur Lleol. Byddai hyn yn sicrhau cysondeb ar draws Cymru, gyda dull gweithredu sy'n cydnabod y gwahaniaeth mewn daearyddiaeth a demograffeg ar draws y siroedd. Byddai hefyd yn adeiladu ar rwydweithiau presennol ac yn cynyddu capasiti o ran darparu, ymgysylltu â'r gymuned a stiwardiaeth.
25. Yn gyffredinol, mae CGGC yn cydnabod bod y rhwydweithiau'n bodoli ar sail cyfraniad y sector gwirfoddol; ac y gellir eu datblygu ymhellach i gyflawni'r maes hwn o'r rhaglen ar gyfer y llywodraeth, nawr ac ar gyfer cenedlaethau'r dyfodol.

IECHYD A GOFAL CYMDEITHASOL

A yw dull Llywodraeth Cymru o ymdrin â gwariant ataliol yn cael ei gynrychioli mewn dyraniadau adnoddau? (Gwariant ataliol = gwariant sy'n canolbwyntio ar atal problemau a lliniaru'r galw am wasanaethau yn y dyfodol drwy ymyrryd yn gynnar)

26. Arweiniodd ymarfer casglu data gan CGGC yn 2023, a oedd yn cynnwys 294 o geisiadau am ddata i gyrff cyhoeddus a mudiadau gwirfoddol, at 227 o ymatebion gydag amrywiaeth eang o ran manylion, ansawdd, perthnasedd, fformat a chynnwys.
27. Nod y Gronfa Integreiddio Rhanbarthol ar gyfer Iechyd a Gofal Cymdeithasol yw canolbwyntio'n gryf ar atal ac ymyrryd yn gynnar. Yn yr un modd, roedd y Gronfa Gofal Integredig yn rhaglen ataliol. Yn yr ymarfer casglu data uchod, darparwyd manylion gwariant mewn perthynas â dim ond dwy ardal (Caerdydd a'r Fro, a Gwent).

28. Er nad yw 'atal' yn gategori a ddefnyddir yn yr adroddiadau sydd ar gael i ni, gall fod yn deg dweud y bydd darparu cyllid drwy mudiadau gwirfoddol yn sicrhau ffocws ar atal ac ymyrraeth lefel isel, gan helpu i osgoi neu leihau'r galw ar wasanaethau statudol a chyfrannu at gydnerthedd a lles cymunedol yn gyffredinol. O ganlyniad, mae buddsoddi yng ngweithgarwch y sector gwirfoddol yn gwneud synnwyr fel dull ataliol.
29. Er enghraifft, mae Platfform 4YP, sy'n cael ei ddarparu gan Platfform, yn gweithio ar sail unigol a grŵp, gyda phobl ifanc rhwng 14 ac 18 oed sy'n wynebu heriau gyda'u hiechyd meddwl a'u lles. Nid oes angen diagnosis i gael mynediad at y gwasanaeth. Mae pobl ifanc yn cael eu grymuso drwy rannu profiadau a straeon, a dod o hyd i ffyrdd o reoli eu lles a byw bywydau hapusach a mwy bodlon.
30. Hoffai CGGC weld gwell adroddiadau cenedlaethol gan gyrff statudol ar y berthynas gontractiol a chyllidol gyda mudiadau gwirfoddol. Byddai hyn yn galluogi gwell dealltwriaeth a monitro o rôl ac effaith y sector mewn perthynas ag atal a lles.

Sut y dylai Llywodraeth Cymru flaenoriaethu ei hadnoddau i fynd i'r afael â rhestrau aros y GIG ar gyfer triniaethau wedi'u cynllunio a thriniaethau nad ydynt yn rhai brys? Ydych chi'n credu bod gan Lywodraeth Cymru gynllun cadarn i fynd i'r afael â'r mater hwn?

31. Gall y sector gwirfoddol gefnogi pobl i 'aros yn dda', sydd â'r potensial i wella canlyniadau triniaethau a sicrhau y gellir rhyddhau pobl cyn gynted â phosibl. Gall buddsoddi mewn gwasanaethau ymyrraeth cynnar sy'n cefnogi pobl i fyw'n annibynnol wrth aros am ofal wedi'i gynllunio atal a lleihau'r galw am ofal brys. Rydym yn ymwybodol o rai arferion da, ond nid oes digon o adnoddau ar gael ar gyfer y math hwn o gymorth ar hyn o bryd.
32. Mae un Bwrdd Iechyd (Bwrdd Iechyd Prifysgol Aneurin Bevan) wedi sicrhau cyllid elusennol i alluogi rhaglen o gymorth seicolegol gwell i gleifion mewn gwasanaethau canser. Ei nod yw osgoi oedi a chanslo oherwydd gorbryder gweithdrefnol a gwella hunanreolaeth cleifion o ran eu gofal iechyd eu hunain. Bydd elfen o hyn yn cynnwys gwirfoddolwyr yn galw i weld cleifion yn y dyddiau cyn endosgopi neu

lawdriniaeth ddiagnostig colonosgopi. Bydd yr effaith ar gyfraddau Peidio â Mynychu ac ar lesiant a phrofiad cleifion yn cael ei monitro. Mae'r dull hwn eisoes wedi denu diddordeb yn ymddiriedolaethau GIG Lloegr drwy ein rhwydwaith Helpforce.

33. Enghraifft arall o'r GIG yw Ymddiriedolaeth Gwasanaethau Ambiwllans Cymru (WAST), sy'n treialu cyfranogiad gwirfoddolwyr fel Ymatebwyr Lles Cymunedol (CWR). Ar ôl brysbennu yn y ganolfan alwadau 999, mae galwadau aciwtedd isel (categori 3) yn cael eu cyfeirio at wirfoddolwyr CWR lleol sydd wedi'u hyfforddi (sydd â llai o hyfforddiant ac offer llai helaeth nag Ymatebwyr Cyntaf Cymunedol). Mae gweithdrefnau cefnogi ac uwchgyfeirio priodol ar waith. Mewn manau eraill (Ymddiriedolaeth Ambiwllans Gogledd Orllewin Lloegr), [canfuwyd bod y dull hwn \(Saesneg yn unig\)](#) wedi mwy na haneru amseroedd ymateb, gan osgoi'r angen am ambiwlans mewn 77.3% o achosion (290 allan o 375), a arweiniodd at arbed 469 awr o amser criwiau ambiwlans.

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 14 : Ymateb gan: Cyngor Gweithredu Gwirfoddol Cymru (CGGC)
| Response from: Wales Council for Voluntary Action (WCVA)





Welsh Government Draft Budget 2024-25

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.

KEY RECOMMENDATIONS

2. We hope to see a budget that has been:
 - Informed by the principles of the [Code of Practice for Funding the Third Sector](#)
 - Assessed against the wider context of ongoing financial pressures, ensuring a co-ordinated approach that does not disproportionately affect the voluntary sector
 - Communicated with transparency on the decision-making processes and funding data made publicly available in a clear and comprehensive manner

THE IMPACT OF 2023-2024 BUDGET AND LOOKING TOWARDS THE FUTURE

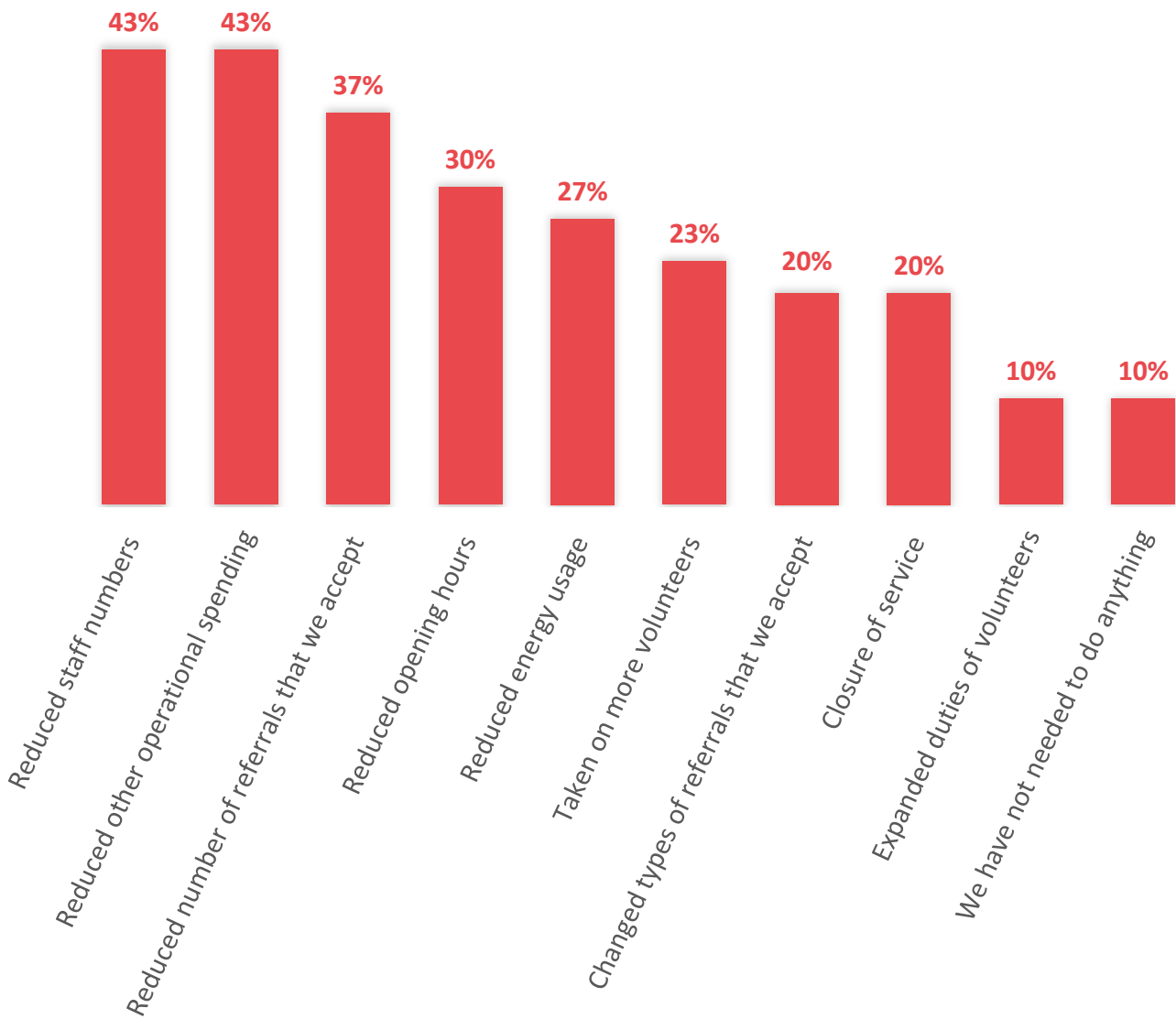
What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic?

3. Unlike 2020-22 financial years, this year the voluntary sector did not receive any funding specifically linked to pandemic recovery. A survey of over 300 [Third Sector Resilience Fund](#) recipients found that most respondents expect staff recruitment and generating trading income in the next 12 months to be 'highly challenging', with increases in salary and staff costs described as 'extremely challenging'. The sector is still dealing with the aftermath of the Covid-19 pandemic, as well as the added challenges of the cost of living crisis and the slow rollout of [UK Shared Prosperity Fund \(UKSPF\)](#). While we acknowledge UKSPF's delivery is not devolved, the compounded effects of all these factors have left many across the sector in an uncertain financial position. The recent mid-year funding freezes and public service budget cut announcements have further exacerbated the concerns of many voluntary organisations who are delivering public contracts.

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?

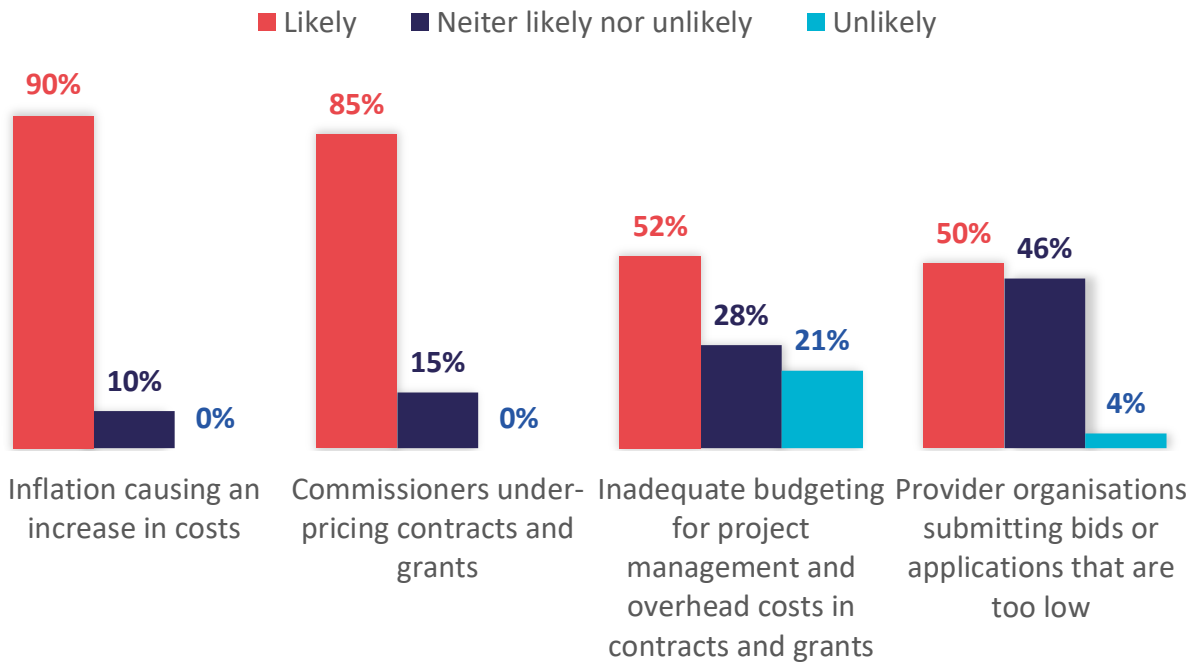
4. Our view is that the current level of support is not sufficient. As inflation remains high and the cost of living crisis deepens, we understand the challenges facing public funders and decision makers, and that difficult decisions will have to be made to balance budgets and minimise negative impacts on people and the planet. Voluntary organisations across Wales are on the frontline of supporting the most vulnerable in society and we are seeing those impacts first-hand.
5. Voluntary organisations are grappling with acute financial and operational pressures. 80% of respondents to our October 2023 survey of voluntary organisations delivering public service contracts told us they could not meet current service demand. 93% said they are already subsidising the statutory services they deliver and 90% have already taken other measures to fit within the financial constraints of their grant or contract.

What have you done in order to run your services within the financial limitations of your contracts and/or grants?



6. 60% of the organisations we surveyed said they are considering or have decided not to tender for new contracts or retender once their current obligations end. 85% felt commissioners under-pricing contracts and grants is likely to put additional financial pressure on the sector.

What is most likely to put financial pressure on grants/contracts?



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?

- Working in partnership with the voluntary sector, including through targeted investment, is a key opportunity to better deliver against the well-being goals in the Wellbeing of Future Generations Act. [National Well-being Indicator 28. Percentage of people who volunteer](#) alone, is mapped against seven out of the eight National Well-being Goals.
- Voluntary organisations are experts in converting relatively small investments into high social impact. During the last financial year, the Local Nature Partnerships, via Welsh Government’s Local Places for Nature programme, created over 70 new green spaces and significantly enhanced nearly 200 pre-existing green spaces. It also worked with local councils to change the mowing practices at 326 sites and increase wildflower planting at 276 sites. Voluntary organisations not only deliver for nature and help us meet our climate and biodiversity commitments as a nation, but they involve, inform and inspire

communities to [look after their local green spaces](#), [gain new skills](#), spend time in nature and [get behind environmental policies](#).

9. The voluntary sector provides a unique network of accessible, local, specialised support for people and communities across Wales. We play a crucial role in prevention and early intervention by providing wrap-around support services complementary to public provision and furthering many of the National Well-being Goals.
10. Following our [three key recommendations](#) and specifically embedding the [Code of Practice for Funding the Third Sector](#) into decision making processes would help Welsh Government demonstrate they are utilising [The Five Ways of Working](#).
11. We believe both the public and private sectors can learn from the value-driven approach voluntary organisations and social enterprises implement in strategic planning and day-to-day operation. Whether it is the adoption of a triple bottom line framework or practices of co-production, the blueprints of how to drive positive change already exist. Closer partnership with the voluntary sector will facilitate transfer of knowledge and expertise in this area.
12. [Volunteering Wales Strategic Grant Scheme](#) is a great example of the ways in which government can facilitate cross-sectoral collaboration and assist public services in delivering against the well-being goals in the Wellbeing of Future Generations Act. This scheme has financed projects such as Caerphilly County Borough Council's [partnership](#) with [Gwent Association of Voluntary Organisations \(GAVO\)](#) in developing a standardised Employee Volunteering Scheme, which could be replicated across all counties in Wales.

How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

13. WCVA has gone through significant change to prepare the organisation for the end of EU funding and the fiscal climate that we are all working through.

We have restructured the organisation, losing capability and capacity, but have taken these tough decisions so that we are financially sustainable and continue to be able to support the voluntary sector in Wales. We vigilantly monitor our budgets and the impacts of inflation on our ability to recruit, retain and deliver but are in no doubt that the outlook remains tough for ourselves and many organisations in the voluntary sector.

14. [Third Sector Support Wales](#) has seen a 19% rise in time spent supporting the sector in July–September 2023 compared to the same period in 2022 – a total of 12,574 hours, with an average of 43 minutes on each interaction. This has coincided with an 8% rise in the number of organisations supported with direct advice. These figures are a clear indication of the increased complexity of issues that voluntary organisations are facing. It demonstrates the crucial importance of public bodies working with voluntary sector infrastructure to help support people and communities through this difficult time.

TRANSPARENCY AND ACCOUNTABILITY

How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

15. We appreciate that the short timeframe between the Autumn Statement and Welsh Government’s draft budget publication introduces limitations to what Welsh Treasury is able to produce alongside the budget. However, we do believe more of the available information could be shared with the public. We typically see individual ministers’ responses outlining the policy implications within their portfolios in the weeks following the budget publication. Publishing those responses at the same time as the draft budget should be explored. The responses could more clearly demonstrate the criteria and priorities behind the decisions. This, alongside timely publication, would enable stakeholders to engage in the scrutiny process more effectively.

How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

16. The Budget Expenditure Lines (BEL) tables should have a consistent use of language and approach over the years to allow for easier tracking of budget lines outside of Government. The discrepancies in how information is being presented make it very difficult for specialist organisations, let alone smaller voluntary groups or the general public, to interpret the data and, therefore, limits our ability to scrutinise it.
17. [Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG](#) usefully compiles individual minister's responses but it could be provided in a more timely manner and presented in a more accessible format. While some small improvements were made last year, including providing a contents page, the document is still very lengthy and hard to navigate. This document should also link to Integrated Impact Assessments (IIAs) undertaken separately to the Strategic Integrated Impact Assessment (SIIA) contained within the draft budget.
18. Improvements have been made to the SIIA summary provided in the draft budget documentation, but more work is needed. The summary does not sufficiently cover the impacts – both the positive and negative. It is useful to receive some of the contextual information which led to particular funding decisions but more emphasis needs to be put on the potential impacts identified throughout the decision making process.
19. The case studies provided in the SIIA summary are a useful glimpse into the SIIA process, but they do not paint a balanced picture. The case studies exclusively focus on positive impacts, making it difficult to understand how decisions are being made when a negative impact is identified. Showcasing the decision-making process in those instances would greatly enhance transparency.

How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

20. The contextual evidence provided through the draft budget supporting documents, including the SIIA summary and Chief Economist's report, does provide a good overview of considerations at the strategic level (allocation to

Main Expenditure Groups). The data and evidence used to inform portfolio level decisions (allocation within Main Expenditure Groups) is not as readily available. The approach to allocations within MEGs can be made clearer by including more data and evidence in individual minister's reports.

CLIMATE CHANGE AND NATURE EMERGENCY

Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

21. WCVA recently played a co-ordinating role in the development of a business plan for [Nature Service Wales](#) (NSW). Similar initiatives have seen initial success in other nations. Through this work and the work we do with Local Nature partnerships (LNPs) across Wales, we understand that there is a need to resolve a considerable skills gap to future proof the stewardship and enhancement of Wales' natural capital.
22. Natural capital [contributes £6bn to Wales' annual economy](#). Building the skills required to restore and enhance the natural environment will be vital for the sustainable development of Wales' greener economy. We recommend that Welsh Government consider meaningful and long term investment via initiatives that enable and incentivise the skills development of young people and those wishing to work in the environmental sector generally. This will help to build a sustainable green economy in Wales.
23. Nature Service Wales is focused on inclusivity and benefit for all. WCVA advocates this existing network as a long term conduit to not only reaching, but leading in implementation of methods that contribute to Welsh Government's delivery of a zero carbon future.
24. To build upon the current provision delivered by LNPs across Wales, WCVA recommends that Nature Service Wales links directly with the LNPs. This would enable consistency across Wales, with an approach that recognises the difference in geography and demographics across the counties. It would also

build on existing networks and increase capacity in delivery, community engagement and stewardship.

25. Overall, WCVA acknowledges that the networks exist for the basis of voluntary sector contribution; and can be further developed to deliver this area of the programme for government, now and for future generations.

HEALTH AND SOCIAL CARE

Is the Welsh Government's approach to preventative spending represented in resource allocations? (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)

26. A data gathering exercise by WCVA in 2023 involving 294 data requests to public bodies and voluntary organisations resulted in 227 responses with wide variation in terms of detail, quality, relevance, format and content.
27. The Health and Social Care Regional Integration Fund aims to have strong focus on prevention and early intervention. Similarly, the Integrated Care Fund was a preventative programme. In the above data gathering exercise, details of expenditure were provided in relation to only two areas (Cardiff and Vale, and Gwent).
28. Whilst 'prevention' is not a category used in the reports available to us, it may be fair to say that funding provision via voluntary organisations will have a focus on prevention and low level intervention, helping to avert or minimise demands on statutory services and contributing to community resilience and wellbeing generally. As such, investing in voluntary sector activity makes good sense as an approach to prevention.
29. By way of example, Platform 4YP, delivered by Platform works, on an individual and group basis, with young people aged 14–18 who are experiencing challenges with their mental health and wellbeing. No diagnosis is necessary to access the service. Young people are empowered through sharing experiences and stories, and find ways to manage their wellbeing and to live happier and more fulfilled lives.

30. WCVA would like to see better national reporting by statutory bodies on contractual and funding relationships with voluntary organisations. This would enable better understanding and monitoring of the role and impact of the sector in relation to prevention and wellbeing.

How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

31. The voluntary sector can support people to ‘wait well’, which has the potential to enhance the outcomes of procedures and ensure people can be discharged as quickly as possible. Investment in early intervention services that support people to live independently while waiting for planned care can prevent and reduce demand for urgent care. We are aware of some good practice, however this type of support is not currently well resourced.

32. One Health Board (Aneurin Bevan UHB) has secured charitable funds to enable a programme of enhanced psychological support for patients within cancer services. It aims to avoid delays and cancellations due to procedural anxiety and to enhance patients’ self-management of their own healthcare. An element of this will involve volunteers making check-in calls to patients in the days before an endoscopy or colonoscopy diagnostic procedure. The impact on Did Not Attend (DNA) rates and on patient wellbeing and experience will be monitored. This approach has already generated interest in England NHS trusts through our Helpforce network.

33. Another example form within the NHS is that of Welsh Ambulance Services Trust (WAST) which is piloting the involvement of volunteers as Community Welfare Responders (CWR). Following triage at the 999 call centre, low acuity (category 3) calls are referred to trained, local CWR volunteers (who have shorter training and less extensive equipment than Community First Responders). Appropriate support and escalation procedures are in place. Elsewhere (in North West Ambulance Trust) this approach [has been found](#) to more than halve response times, avoiding the need for an ambulance in 77.3% cases (290 out of 375) and resulting in 469 hours of ambulance crew time saved.

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 15 : Ymateb gan: Sustrans Cymru (Saesneg yn unig) | Response from: Sustrans Cymru (English only)



SENEDD CYMRU'S FINANCE COMMITTEE CALL FOR EVIDENCE

DRAFT BUDGET FOR 2024-25

SUBMISSION FROM SUSTRANS CYMRU

Summary

Wales' funding for active travel has increased significantly since 2018, when the Active Travel Fund was established, and a funding target for active travel of up to £20 per person was set.

That funding target has not been adjusted to take into account inflation, the impact of previous funding, or the fact that in Scotland spending has significantly outpaced Wales, now at £58 per person for active travel.

There is a discrepancy between revenue funding and capital funding (£0.44 to £22.93), that is not common in other areas of the transport budget. There must be more revenue funding to supplement and enhance the impact of the capital expenditure, and to deliver more work that is not traditional capital spend, such as behaviour change projects.

This paper provides background into recent events relating to active travel, and other information to inform future funding decisions in Wales. Please note that we have restricted our response to our area of expertise, active travel, which is core to our mission as a charity and we are funded to deliver on behalf of the Welsh Government and other public bodies.

Background

Sustrans Cymru

1. Sustrans is a UK-wide charity, making it easier for people to walk, wheel and cycle. We involve communities in shaping our towns and cities. Together we campaign for and create spaces where everyone can move around safely and give people the tools and confidence to get out of their cars.
2. Sustrans Cymru is a delivery partner to the Welsh Government, Welsh local authorities and other organisations in the public and private sector in Wales. We deliver projects to improve active travel infrastructure, and projects that give individuals and organisations the tools and skills they need to participate in active travel. We founded and are custodians of the national cycle network, which in Wales is maintained by our staff and many volunteers. We advocate for active travel publicly and through formal bodies including the Active Travel Board and the Cross Party Group on the Active Travel Act.

Policies relating to active travel

3. Llwybr Newydd, the Wales transport strategy, sets the Welsh Government's target at 45% of journeys to be made sustainably by 2040. This includes public transport, as well as walking and cycling. In Wales, according to the 2021 census, 11% of people travelling to work did so by cycle or on foot.
4. Legislation includes the Active Travel Act, which imposed a duty on local authorities to develop active travel network maps. Active travel is not only confined to transport policies, but is firmly embedded in cross-cutting legislation and policies such as the Well-being of

Future Generations Act, Net Zero Wales 2050, and the forthcoming Environment Bill (Air Quality and Soundscapes).

Active travel progress in recent years

5. Active travel has undergone a sea-change over the last few years. Since the Active Travel Act was enacted in 2013, every local authority in Wales has a comprehensive and evolving map detailing current and future provision.

6. A Cross-Party Group on the Active Travel Act is also now well established in Senedd Cymru, as well as the Active Travel Board.

7. At the same time, the general public maintains a strong interest in active travel. In Sustrans' latest Walking and Cycling Index, 40% of residents in Cardiff said they cycle at least occasionally, and a further 28% said they do not but would like to. A large majority of residents agreed it would be useful to help residents cycle more if there were more physically separated cycle paths (72%), more traffic free cycle routes away from roads (75%) and more cycle routes along quiet streets (73%).

8. However, it is also clear that ten years on, although the Act has been followed with increased public funding, it is yet to have a significant impact on active travel rates and more work, and more funding, is required.

9. Active travel has also continued to rise in stature politically. All the main parties had strong active travel pledges and funding commitments in their 2021 Senedd election manifestos. The Welsh Government's [programme for government](#), updated as part of the co-operation agreement with Plaid Cymru, specifically commits to:

- Give Transport for Wales new powers to better integrate rail, bus and active travel.
- Work with Transport for Wales and local authorities to strengthen the promotion of walking and cycling.
- Develop new Active Travel Integrated Network Maps.
- Work with schools to promote Active Travel and Road Safety.
- Invest in travel options that encourage public transport and support walking and cycling.
- Support innovative new social enterprise schemes such as bike maintenance repair cafes and bike recycling schemes.

Funding for Active Travel

10. Since 2018 the Welsh Government has primarily supported local authorities through its Active Travel Fund. This includes a core allocation for each authority to make small-scale continuous improvements, with the remainder of the funding subject to a competitive bidding process for larger schemes. The Welsh Government also provides funding through other mechanisms, such as the Safe Routes in Communities grant.

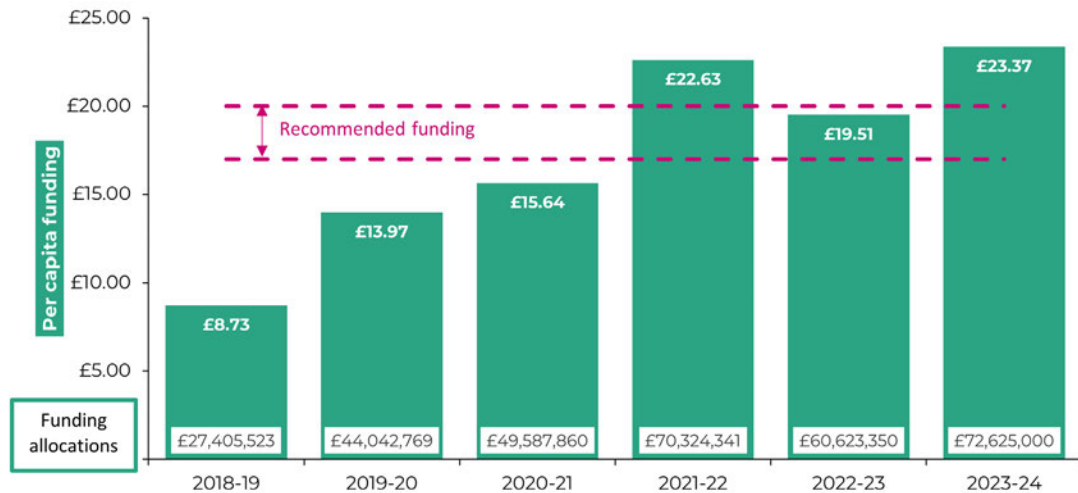
11. A large part of funding, the Active Travel Fund, was [established in 2018 with £10m of funding](#), and has grown almost every year since. [The Welsh Government announced £58m of new schemes funded through the Active Travel Fund in 2023-24](#).

12. However, due to the variety of sources of funding, there is no absolute method of calculating total investment in active travel in Wales. Other funding sources which may at

times be used on active travel include the Welsh Government’s Transforming Towns Fund, UK Government funding including the Levelling Up Fund and Shared Prosperity Fund, local authorities’ own funding, and private funding used to build new developments or raised through Section 106 contributions.

13. In previous evidence to the Finance Committee Welsh Government has stated the total active travel spend from its own resources in Wales for 2023-24 was £72,625,000, or £23.37 per person.

14. Chart 1: Welsh Government active travel funding per capita 2018-19 to 2023-4



Source: Senedd Research: [The Active Travel Act: 10 Years on](#)

Required Funding for Cycling and Active Travel

15. Although the increases to active travel funding are welcome, the funding targets are outdated and Wales risks falling behind other parts of the UK. In 2018, in Sustrans Cymru’s evidence to the [Post Legislative Scrutiny of the Active Travel \(Wales\) Act 2013](#), we said £20 per person was a target for 2020. The Economy, Infrastructure and Skills Committee recommended a target of £7 - £20 per person, which was then met in 2021-22 and has been met or exceeded in the three years since.

16. £20 per person spending target was appropriate in 2018. Since 2018, and especially since mid-2021, the UK inflation rate has been notably high. The majority of active travel funding is capital expenditure on newly constructed schemes. Of particular note, the annual rate of construction output price growth for new work has outpaced the general rate of inflation, CPI, peaking at 12.1% in May 2022. Even within the sector itself [inflation for new work has been higher than for repair and maintenance](#). Using ONS data, from September 2018 to September 2023, taking into account this inflation for new work in the sector, £17 - £20 would now equate to £21.78 - £25.63.

17. Since the 2021 election in Scotland, [the Scottish Government is committed to spend 10% of its total transport budget on active travel by 2024-25](#), so that it becomes a green, safe and healthy alternative for many more people. The Scottish Government has stated this will be at least £320 million, which would set a lower limit of approximately £58 per person in its forthcoming 2024/25 budget, which the Scottish Government says [compares favourably to countries with notable active travel investment, such as the Netherlands and Denmark](#).

18. Some major political parties have also made similar commitments in recent elections. For example, in 2019, [the Labour Party pledged £50 a head active travel spend in England](#).

19. In Wales, looking at the Climate Change ministry's [2024-25 Indicative Final Budget](#), the total budget for transport-related budget lines is £1.167 billion. This would equate to £116.7 million earmarked for active travel, or around £38 per person.

20. Table 1: Transport-related budget lines from 2023-24 and 2024-25, £000s

BUDGET LINES	2023/24			2024/25		
	Resource	Capital	Subtotal	Resource	Capital	Subtotal
Motorway & Trunk Road Operations	£70,504.00	£185,000.00	£255,504.00	£70,504.00	£185,000.00	£255,504.00
Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash	£188,691.00		£188,691.00	£188,691.00		£188,691.00
Road, Rail, Air and Sea Services and Investment	£297,510.00	£217,000.00	£514,510.00	£295,010.00	£87,000.00	£382,010.00
Sustainable Travel	£125,417.00	£184,640.00	£310,057.00	£125,417.00	£206,628.00	£332,045.00
Improve Road Safety	£5,000.00	£4,000.00	£9,000.00	£5,000.00	£4,000.00	£9,000.00
TOTAL	£687,122.00	£590,640.00	£1,277,762.00	£684,622.00	£482,628.00	£1,167,250.00

Source: [Minister for Climate Change evidence to Finance Committee](#)

21. However, it must be noted that this represents a low estimate of identifiable transport spend in Wales. For example, one reason is that, unlike in Scotland, Rail infrastructure is not entirely devolved in Wales. Another reason is that, since the budget details above were published, in October 2023 the [Welsh Government updated its financial position](#) and committed an extra £125 million of in-year spending to Transport for Wales.

22. Taking the low estimate, from the 2024-25 Indicative Final Budget, and a high estimate from the Scottish Government's calculation, the Welsh Government should look to increase active travel spending from £38 - £58 per person.

23. There is a large discrepancy in capital and revenue spending in relation to active travel. In 2023-24, revenue spending was £1,375,000, or £0.44 per person. Capital spending was £71,250,000, or £22.93 per person.

24. There is an acknowledged difficulty in spending more capital funding, and the Deputy Minister for Climate Change has stated: "We're spending less than we had originally thought we would, and that's partly because...there are some real capacity and capability constraints across local government, and they simply haven't been able to spend all the money that we wanted them to spend."

25. There should be more funding on revenue spending, to increase capacity in the sector. This should be central funding for TfW, capacity for local authorities and third sector partners.

26. In addition to the capacity to deliver high-quality schemes using capital funding, primarily from the Active Travel Fund, revenue funding can be used for regular, repeated work to encourage, teach and enable citizens in Wales to walk and cycle. Sustrans Cymru works with schools, in workplaces, and in communities across Wales and has supported many people to walk and cycle. For example, our E-Move project has captured a lot of data exploring how [barriers that prevent people from cycling are overcome](#).

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 16 : Ymateb gan: Comisiynydd Pobl Hŷn Cymru | Response from: Older People's Commissioner for Wales





Pwyllgor Cyllid y Senedd:

Cais am wybodaeth am gynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25

30 Tachwedd 2023

Cyflwyniad

Mae Comisiynydd Pobl Hŷn Cymru yn croesawu'r cyfle i ymateb i gais Pwyllgor Cyllid y Senedd am wybodaeth am gynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25.

Hoffai'r Comisiynydd weld y meysydd canlynol yn cael blaenoriaeth wrth wneud penderfyniadau am gyllideb Llywodraeth Cymru ar gyfer 2024-25.

Yr Argyfwng Costau Byw: Lleihau tlodi ymysg pobl hŷn

Wrth i'r argyfwng costau byw barhau, mae nifer sylweddol o bobl hŷn yng Nghymru yn byw mewn tlodi incwm cymharol (sy'n cael ei ddiffinio fel byw mewn aelwyd lle mae cyfanswm incwm yr aelwyd o bob ffynhonnell yn llai na 60 y cant o incwm cyfartalog aelwydydd y DU) ac mae angen cymryd camau i fynd i'r afael â hyn. Mae bron i 1 o bob 5 person hŷn yng Nghymru yn byw mewn tlodi incwm cymharol. Mae hyn yn cyfateb i 155,960 o bobl ledled Cymru.

Mae cyfraddau tlodi incwm cymharol yn amrywio yn ôl oedran: mae'n effeithio ar 19% o bobl rhwng 65 a 69 oed, ond yn effeithio ar 21% o bobl rhwng 75 a 79 oed.¹ Mae hynny'n golygu bod 33,744 o bobl rhwng 65 a 69 oed a 27,315 o bobl rhwng 75 a 79 oed yn byw mewn tlodi incwm cymharol yng Nghymru. Y gyfradd tlodi incwm cymharol yw tua 21% ar gyfer pobl dros 85 oed.² O ran rhywedd, mae 29% o fenywod hŷn sengl yn byw mewn tlodi incwm cymharol.³ Nid yw'r ffigurau hyn o

¹ Stats Cymru. (2023) Pensiynwyr mewn tlodi incwm cymharol yn ôl oedran y penteulu Mawrth 2023. Ar gael yn: <https://statswales.gov.wales/Catalogue/Community-Safety-and-SocialInclusion/Poverty/pensionersinrelativeincomepoverty-by-ageoftheheadofhousehold>

² Mae'r nifer cyfyngedig o ymatebwyr yn golygu na fu'n bosibl diweddarur'r ffigur ar gyfer pobl dros 85 oed ers 2020. Ibid.

³ Gweler Stats Cymru. (2023) Pensiynwyr mewn tlodi incwm cymharol yn ôl math o deulu. Mawrth 2023. Ar gael yn <https://statscymru.llyw.cymru/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/pensioners/pensionersinrelativeincomepoverty-by-familytype>

reidrwydd yn adlewyrchu'r sefyllfa bresennol gan nad yw'r data cyflawn ar gyfer hydref/gaeaf 2022-23 ar gael eto: mae effaith lawn yr argyfwng costau byw ar bobl hŷn eto i'w hadlewyrchu yn yr ystadegau.

Mae'n hanfodol bod cyllideb Llywodraeth Cymru ar gyfer 2024-25 yn dyrannu adnoddau i leihau'r tlodi mae pobl hŷn yn ei brofi. Un ffordd y gall Llywodraeth Cymru leihau effaith tlodi heb wario swmp sylweddol o'i hadnoddau ei hun yw cynyddu'r nifer sy'n manteisio ar hawliadau ariannol gan Lywodraeth y DU sydd ddim yn cael eu hawlio ar hyn o bryd. Byddai hwn yn ddull buddsoddi i arbed lle gallai defnyddio swm cymharol fach o arian ddenu adnoddau ariannol sylweddol gan Lywodraeth y DU i hybu incwm rhai o'r bobl hŷn tlotaf yng Nghymru.

O ran Credyd Pensiwn yn unig, mae hyd at 80,000 o bobl yng Nghymru yn gymwys i hawlio ond nid ydynt yn derbyn eu hawliad. Mae hyn yn golygu bod Cymru yn colli dros £200M, a allai gynyddu incwm pobl hŷn. Mae Credyd Pensiwn hefyd yn datglo amrywiol fathau o gymorth cysylltiedig, gan gynnwys taliadau costau byw ychwanegol gan Lywodraeth y DU. Byddai sicrhau bod llai o bobl yn colli'r cyfle i gael Credyd Pensiwn hefyd yn rhoi hwb i'r grym gwario mewn cymunedau ledled Cymru.⁴ Mae ymchwil gan Brifysgol Caerdydd yn awgrymu y byddai cynyddu cyfradd sylfaenol y dreth incwm yng Nghymru 1 ceiniog yn 2023-24 wedi codi tua £237M.⁵ Mae hyn yn debyg i swm y Credyd Pensiwn heb ei hawlio yng Nghymru bob blwyddyn.

Mae Llywodraeth Cymru eisoes wedi gwneud gwaith i dynnu sylw at Gredyd Pensiwn drwy ymgyrchoedd hawlio budd-daliadau fel 'Hawliwch yr Hyn sy'n Ddyledus i Chi'. Fodd bynnag, mae angen mwy o weithredu a gweithredu gwahanol i gyrraedd pobl hŷn sy'n dal i fod ar eu colled. Dylai hyn gynnwys dyrannu cyllid ar gyfer gwaith gydag awdurdodau lleol i ddefnyddio setiau data presennol i dargedu pobl hŷn sy'n debygol o fod yn gymwys i gael Credyd Pensiwn neu i dreialu dulliau eraill.

Yn ogystal, mae angen dyrannu digon o adnoddau yn y gyllideb ddrafft i gefnogi'r trydydd sector i weithio gyda phobl hŷn sydd ddim yn manteisio ar Gredyd Pensiwn a hawliau eraill ar hyn o bryd, gan gynorthwyo gyda hawliadau pan fo angen. Mae gwasanaethau cynghori yn elfen allweddol o gynyddu'r nifer sy'n hawlio Credyd Pensiwn. Byddai dyrannu adnoddau o'r fath yn fuddsoddiad o ran gwrthbwysio rhai o effeithiau niweidiol tlodi, gan gynnwys yr effaith negyddol ar iechyd corfforol a meddyliol a fyddai fel arall angen ymdrin ag ef drwy gyllid Llywodraeth Cymru ar gyfer gwasanaethau'r GIG.

Gan mai'r Gronfa Cymorth Dewisol (DAF) yw prif gynllun Llywodraeth Cymru ar gyfer darparu cymorth brys yn ystod yr argyfwng costau byw erbyn hyn, mae angen dyrannu digon o gyllid i DAF yn y gyllideb ddrafft. Mae angen gwneud gwaith ychwanegol hefyd i sicrhau bod DAF yn cyrraedd pobl hŷn gan fod y data presennol

⁴ Independent Age. (2019) *Credit where it's due: Ending the £3.5 billion Pension Credit scandal*, tud.13. Ar gael yn: [Credit where its due report 0.pdf \(independentage.org\)](https://www.independentage.org/credit-where-its-due-report-0.pdf)

⁵ Dadansoddi Cyllid Cymru. (2022) Rhagolwg Cyllideb Cymru 2022. Ar gael yn: https://www.cardiff.ac.uk/data/assets/pdf_file/0007/2688199/wbo_2022_full_report_final.pdf, tudalen 41.

yn dangos bod y ceisiadau'n anghymesur o isel. Mae ffigurau a ddarparwyd i'r Comisiynydd gan Lywodraeth Cymru yn dangos mai dim ond 8,132 allan o gyfanswm o 589,421 o geisiadau a wnaed am Daliad Cymorth Brys gan bobl 70 oed a hŷn; mae hyn yn llai nag 1.40%. Mae angen i Lywodraeth Cymru sicrhau bod cyllid DAF yn cyrraedd pobl hŷn a allai elwa ohono. Mae hyn yn golygu gweithio gydag awdurdodau lleol i sicrhau bod DAF yn cael ei hyrwyddo'n frwd fel ffynhonnell cymorth i bobl hŷn ledled Cymru, gan gynnwys pobl nad ydynt ar-lein.

Dylai Llywodraeth Cymru sicrhau bod cyllidebau cyfathrebu yn adlewyrchu'r angen am negeseuon penodol (yn hytrach na generig) fel bod pobl hŷn yn sylweddoli bod ffynonellau cymorth fel DAF wedi'u bwriadu ar gyfer pobl hŷn. Mae angen i gyllidebau cyfathrebu a chynllunio hefyd ariannu gweithgareddau a hyrwyddo all-lein er mwyn cyrraedd pobl hŷn nad ydynt ar-lein, gan gofio nad oes gan 31% o bobl dros 75 oed fynediad i'r rhyngwrwyd gartref ac nad yw 33% o bobl dros 75 oed yn defnyddio'r rhyngwrwyd (gan gynnwys teledu clyfar a dyfeisiau llaw).

Buddsoddi mewn heneiddio'n iach

Mae angen i gyllideb ddrafft Llywodraeth Cymru ganolbwyntio ar weithredu ataliol a sicrhau bod pawb yn gallu heneiddio'n dda. Gellir lleihau neu ohirio'r galw am rai gwasanaethau drwy alluogi mwy o bobl i heneiddio mor iach â phosibl. Mae hyn yn gofyn am weithredu a buddsoddi i atal gwariant ychwanegol ar ddelio â phroblemau a fyddai'n digwydd fel arall.

Er enghraifft, rhaid parhau i fynd i'r afael â'r pwysau difrifol mewn gofal cymdeithasol, gan gynnwys capasiti mewn cartrefi gofal, darparu gofal cartref a gwasanaethau ail-alluogi, a dal ati i ganolbwyntio ar y broblem o oedi cyn rhyddhau cleifion o'r ysbyty. Mae datganiad o fwriad Llywodraeth Cymru "Meithrin Gallu drwy Ofal Cymunedol - Ymhellach, yn Gyflymach", sy'n cydnabod bod "cyfleoedd yn cael eu colli i atal ac ymyrryd yn gynnar yn y gymuned, ac mae rhai unigolion yn parhau am gyfnodau hir mewn ysbytai aciwt a chartrefi gofal", yn bwysig. Mae'n hanfodol bod adnoddau'n cael eu dyrannu tuag at atal a lleihau angen ar yr un pryd â mynd i'r afael â'r pwysau presennol.

Mae angen i gyllideb ddrafft Llywodraeth Cymru alluogi gwasanaethau gofal cymdeithasol i ddarparu'r cymorth a'r gwasanaethau sydd eu hangen ar bobl hŷn, gan sicrhau bod hyn yn cael ei wneud mewn ffordd sy'n cynnal ac yn diogelu hawliau pobl. Mae angen i'r gyllideb ar gyfer y dyfodol ddarparu buddsoddiad digonol mewn iechyd a gofal cymdeithasol, gan gynnwys cyllid ar gyfer atal a chymorth yn y gymuned.

Fodd bynnag, nid yw heneiddio'n iach a heneiddio'n dda wedi'u cyfyngu i feysydd iechyd a gofal cymdeithasol yn unig. Mae'r gallu i heneiddio'n dda yn cynnwys nifer o feysydd rhyngberthynol y gellir eu crynhoi yn y model Cymunedau Oed-gyfeillgar. Mae'r dull gweithredu hwn gan Sefydliad Iechyd y Byd (WHO), sy'n seiliedig ar dystiolaeth, yn nodi wyth nodwedd hanfodol cymunedau sydd, gyda'i gilydd, yn ein galluogi i heneiddio'n dda. Sef: mannau yn yr awyr agored ac adeiladau; cludiant; tai; cyfranogiad cymdeithasol; parch a chynhwysiant cymdeithasol; cyfranogiad

I gael rhagor o wybodaeth, cysylltwch â:
Rachel Bowen, Cyfarwyddwr Polisi

dinesig a chyflogaeth; cyfathrebu a gwybodaeth; cymorth cymunedol a gwasanaethau iechyd. Mae pob un o'r wyth maes yn bwysig o ran sicrhau bod pawb yn gallu heneiddio'n dda ledled Cymru.

Datblygwyd dull Cymuned Oed-Gyfeillgar Sefydliad Iechyd y Byd yn 2007 a'i lunio mewn ymgynghoriad â phobl hŷn ar sail y dystiolaeth o'r hyn sy'n cefnogi heneiddio'n iach ac yn egnïol ac mae'n cefnogi trigolion hŷn i siapio'r manau lle rydyn ni'n byw. Mae'r dull hwn yn galluogi rhanddeiliaid, gan gynnwys pobl hŷn, awdurdodau lleol, busnesau, cymdeithasau lleol a'r sector gwirfoddol i gydweithredu i ganfod a gwneud newidiadau yn yr amgylchedd ffisegol a'r amgylchedd cymdeithasol.

Mae'r Comisiynydd yn cael ei chydabod fel Aelod Cyswllt o Rwydwaith Byd-eang Sefydliad Iechyd y Byd o Ddinasoedd a Chymunedau Oed-Gyfeillgar ac mae'n gweithio i hyrwyddo cynnydd oed-gyfeillgar ar lefel leol, ranbarthol, cenedlaethol a rhyngwladol. Mae Swyddfa'r Comisiynydd hefyd yn gweithredu fel catalydd ar lefel genedlaethol a rhanbarthol drwy hyrwyddo'r dull gweithredu oed-gyfeillgar yn ogystal â darparu arweiniad a chymorth i bartneriaethau sy'n cael eu harwain gan awdurdodau lleol sy'n dymuno dod yn aelodau o'r Rhwydwaith Byd-eang.

Mae llawer o enghreifftiau o fanteision gweithredu oed-gyfeillgar. Er enghraifft, yn Abertawe, mae taith gerdded oed-gyfeillgar wythnosol o amgylch Marina Abertawe, ac yna coffi a sgwrs, wedi dod yn boblogaidd iawn, gyda bron i 100 o bobl yn cymryd rhan. Mae'r daith gerdded yn annog cymdeithasu ac yn lleihau unigrwydd pobl hŷn yn y ddinas a'r ardal ehangach, gan ddod â grwpiau amrywiol o bobl at ei gilydd i feithrin cyfeillgarwch. Dim ond un o'r gweithgareddau a ddarperir gan bartneriaeth Oed-Gyfeillgar Abertawe yw hwn.⁶

Mae Llywodraeth Cymru wedi bod yn gefnogol i ddatblygu Cymunedau Oed-Gyfeillgar fel y gwelir yn 'Cymru o blaid Pobl Hŷn: ein strategaeth ar gyfer cymdeithas sy'n heneiddio'.⁷ Hyd yma, mae £1.1 miliwn wedi cael ei ddarparu i awdurdodau lleol er mwyn cael swyddog pwrpasol yn ei le ac i'w helpu i weithio tuag at ymuno â Rhwydwaith Byd-eang Sefydliad Iechyd y Byd o Ddinasoedd a Chymunedau Oed-Gyfeillgar. Mae cynnydd yn parhau i gael ei wneud gyda nifer cynyddol o awdurdodau lleol yn ymuno â'r rhwydwaith dros y 12 mis diwethaf a phartneriaid yn rhannu ac yn rhoi mwy o bwys ar arferion da.

Mae'n hanfodol bod cyllid gan Lywodraeth Cymru yn parhau i sicrhau bod y cynnydd a'r arferion da hyn yn cael e gwreiddio ledled Cymru. Er bod Llywodraeth Cymru wedi ymrwymo i leihau'r baich gweinyddol ar awdurdodau lleol, mae'n bwysig nad yw cyllid a roddir i awdurdodau lleol i gefnogi'r gwaith o ddatblygu Cymunedau Oed-Gyfeillgar yn cael ei leihau na'i ymgorffori mewn setliadau ariannol ehangach i awdurdodau lleol ac wedyn yn cael ei golli neu'n cael ei ddefnyddio i bwrpas arall.

⁶ Cyngor Abertawe (2023) Datganiad i'r wasg. Ar gael yn: [Mynd am dro wythnosol yn newid bywydau er gwell, dywed cerddwyr](#)

⁷ Llywodraeth Cymru. (2021) Cymru o blaid pobl hŷn: ein strategaeth ar gyfer cymdeithas sy'n heneiddio. Ar gael yn: [Cymru o blaid pobl hŷn \[HTML\] | GOV.WALES](#)

Trafnidiaeth gyhoeddus a thrafnidiaeth gymunedol

Mae'r toriadau i drafndiaeth gyhoeddus a welwyd yn y flwyddyn ariannol bresennol yn bryder difrifol, sy'n effeithio ar iechyd, lles a gweithgareddau bob dydd pobl hŷn. Mae angen i gyllideb Llywodraeth Cymru ar gyfer 2024-25 sicrhau bod trafndiaeth gyhoeddus, a gwasanaethau bysiau yn benodol, yn cael eu hariannu i alluogi pobl hŷn i gael mynediad at ofal iechyd, hamdden a gweithgareddau cymdeithasol. Mae pobl hŷn yn aml yn disgrifio trafndiaeth gyhoeddus a chymunedol fel adnodd 'cwbl hanfodol', sy'n eu galluogi i gael mynediad at amwynderau lleol, i wirfoddoli ac i gadw mewn cysylltiad â theuluoedd a ffrindiau.

Mae'r gostyngiad yn nifer y bobl hŷn sy'n defnyddio'r cerdyn bws rhatach yn peri pryder. Yn gynharach eleni, amcangyfrifodd CPT Cymru bod lefel y defnydd o gardiau teithio rhatach ond yn 40-50 y cant o'r lefelau cyn y pandemig. Mae perygl y bydd unrhyw doriadau ychwanegol i wasanaethau bysiau oherwydd diffyg cyllid yn gostwng y lefel hon fwy fyth gan na fydd y gwasanaethau y mae eu hangen ar bobl hŷn yn bodoli.

Er bod nifer y teithwyr masnachol wedi cael trafferth dychwelyd i'r lefelau cyn y pandemig, mae'r galw am drafndiaeth gymunedol wedi ailddechrau ar ei lefel flaenorol. Mae gan drafndiaeth gymunedol hanes o ddarparu atebion hyblyg a hygyrch wedi'u llywio gan y gymuned mewn ymateb i anghenion trafndiaeth lleol heb eu diwallu. Weithiau, dyma'r unig ffordd o deithio i lawer o bobl. Fodd bynnag, nid oes darpariaeth trafndiaeth gymunedol ar gael ym mhob ardal lle byddai o fudd i bobl hŷn ac mae angen mwy o gyllid diogel a chynaliadwy. Dylid rhoi sylw i hyn yn y gyllideb ddrafft.

Gall teithiau rheolaidd ar fysiau hefyd greu cysylltiadau personol â gyrwyr a theithwyr eraill. Mae'r grŵp Cyfeillion Bws 65 yn Sir Fynwy wedi disgrifio sut mae gyrwyr yn tynnu sylw teithwyr eraill weithiau at absenoldeb teithwyr rheolaidd. Mewn un achos, arweiniodd hyn at ddarganfod bod rhywun wedi cwmpo a threfnodd y grŵp help gyda thasgau nes bod y person yn ddigon da i dychwelyd i ddefnyddio'r bws a gwneud ei siopa eto.

Nodir yn y Datganiad ar y Cyd ar y Gronfa Bontio newydd ar gyfer Bysiau (16 Mehefin 2023) bod y Gronfa Bontio ar gyfer Bysiau wedi cael ei datblygu ar y cyd gan Awdurdodau Lleol, Llywodraeth Cymru, Trafnidiaeth Cymru a'r diwydiant. Fodd bynnag, mae rôl teithwyr, gan gynnwys pobl hŷn, yn y trafodaethau a'r datblygiadau hyn yn aneglur.

Rhaid gwrando a gweithredu ar lais pobl hŷn a theithwyr yn ehangach mewn penderfyniadau yn y dyfodol ynghylch cyllid bysiau a llwybrau bysiau, yn ogystal â thrafnidiaeth gyhoeddus yn ehangach. Efallai nad yw'n bosibl cynnal pob gwasanaeth bws ar ei lefel bresennol, ond rhaid i bobl hŷn allu defnyddio trafndiaeth er mwyn ymweld â ffrindiau a theulu, gweithio, gwirfoddoli, mynd i apwyntiadau gofal iechyd a gwasanaethau eraill a gwneud y pethau sy'n bwysig i bob un ohonom yn gyffredinol.

Bydd llai o wasanaethau bws yn ei gwneud yn fwy anodd i rai pobl hŷn aros mewn gwaith neu gymryd rhan mewn gweithgareddau gwirfoddoli. Mae nifer sylweddol o
I gael rhagor o wybodaeth, cysylltwch â:
Rachel Bowen, Cyfarwyddwr Polisi

bobl hŷn yn parhau i weithio (yng Nghymru, mae 9.2% o bobl dros 65 oed yn gweithio) ac mae bron i draean o bobl dros 65 oed yn gwirfoddoli mewn rhyw ffordd neu'i gilydd.⁸ Mae'r gwaith cyflogedig a'r gweithgareddau gwirfoddol y mae pobl hŷn yn eu gwneud yn cyfrannu'n sylweddol at economi Cymru (mewn adroddiad gan Brifysgol Bangor yn 2018 roedd gwirfoddoli gan bobl hŷn yn werth £483M ac mae disgwyl i hyn gynyddu).⁹

Bydd toriadau hefyd yn cael effaith anffafriol ar ofalwyr di-dâl sy'n dibynnu ar wasanaethau bysiau: mae tua 55% o ofalwyr yng Nghymru dros 55 oed ac mae gofalwyr di-dâl yn fwy tebygol o fod yn fenywod, yn hŷn ac yn byw mewn cymunedau difreintiedig.¹⁰ Ni ddylid cyfyngu gwasanaethau bysiau yn y dyfodol i oriau swyddfa safonol ac yn ystod yr wythnos. Byddai hyn yn golygu na fyddai pobl hŷn yn gallu teithio o gwmpas gyda'r nos ac ar y penwythnos.

Bwriad Bil Bysiau arfaethedig Llywodraeth Cymru yw datrys rhai o'r problemau sy'n berthnasol i ddarparu gwasanaethau bysiau ac mae'r Comisiynydd yn edrych ymlaen at ymgysylltu â'r cynigion deddfwriaethol wrth iddynt gael eu datblygu. Fodd bynnag, mae angen i gyllideb ddrafft Llywodraeth Cymru ar gyfer 2024-25 sicrhau bod digon o adnoddau yn cael eu dyrannu i wasanaethau bysiau yn y dyfodol agos: ni ellir gohirio camau i fynd i'r afael â hyn nes bydd deddfwriaeth yn cael ei phasio a'i rhoi ar waith.

Asesiadau o'r Effaith ar Gydraddoldeb ac Oedraniaeth

Mae Oedraniaeth yn golygu stereoteipio, gwahaniaethu a /neu ragfarnu yn erbyn pobl ar sail eu hoed neu'r hyn y tybir yw eu hoed. Mae Oedraniaeth yn gallu bod yn berthnasol i unrhyw grŵp oedran.¹¹ Mae Sefydliad Iechyd y Byd yn amcangyfrif, ar raddfa fyd-eang, bod agwedd un o bob dau o bobl yn dangos oedraniaeth yn erbyn pobl hŷn, sy'n tynnu sylw at faint yr her y mae angen mynd i'r afael â hi.¹² Mae angen i gyllideb ddrafft Llywodraeth Cymru ar gyfer 2024-25 sicrhau nad yw oedraniaeth yn dylanwadu ar benderfyniadau ynghylch gwariant a blaenoriaethu adnoddau.

Mae angen cydnabod amrywiaeth pobl hŷn hefyd mewn penderfyniadau sy'n ymwneud â chyllideb ddrafft Llywodraeth Cymru. Mae'n bwysig nad yw pobl hŷn yn cael eu trin fel grŵp unffurf. Mae angen i'r gwaith o ddatblygu polisiâu adlewyrchu'r ffaith ein bod yn dod yn fwy amrywiol wrth i ni heneiddio h.y., o ran profiadau, diddordebau, incwm, iechyd a pherthnasoedd cymdeithasol.

Ar hyn o bryd mae'r sector cyhoeddus yng Nghymru yn wynebu cyfnod heriol iawn o ran setliadau ariannol a phwysau gwario. Fodd bynnag, mae perygl y bydd pobl hŷn

⁸ Comisiynydd Pobl Hŷn Cymru. (2023) Deall Poblogaeth Cymru sy'n Heneiddio Ystadegau Allweddol. Ar gael yn: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#)

⁹ Prifysgol Bangor. (2018) Byw yn dda yn hirach: y ddadl economaidd dros fuddsoddi yn iechyd a llesiant pobl hŷn yng Nghymru. Ar gael yn: [bywynddaynhirach2018.pdf \(bangor.ac.uk\)](#)

¹⁰ Comisiynydd Pobl Hŷn Cymru. (2023) Deall Poblogaeth Cymru sy'n Heneiddio: Ystadegau Allweddol. Ar gael yn: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#), p. 12
I gael rhagor o wybodaeth am oedraniaeth, ewch i: Comisiynydd Pobl Hŷn Cymru. Gweithredu yn Erbyn Oedraniaeth. Ar gael yn: [Gweithredu yn Erbyn Oedraniaeth – Comisiynydd Pobl Hŷn Cymru](#)
Sefydliad Iechyd y Byd. (dim dyddiad) Oedraniaeth. Ar gael yn: [Ageism \(who.int\)](#)

I gael rhagor o wybodaeth, cysylltwch â:
Rachel Bowen, Cyfarwyddwr Polisi

yn ysgwyddo baich anghymesur o ganlyniad i doriadau i wasanaethau. Mae angen asesu effaith gyfunol toriadau i wahanol fathau o wasanaethau. Er enghraifft, ni ddylid ystyried toriadau i wasanaethau bysiau ar wahân i doriadau i wasanaethau eraill sy'n cael eu defnyddio a'u gwerthfawrogi gan bobl hŷn.

Wrth lunio dyraniadau cyllideb ar gyfer 2024-25, mae angen i Lywodraeth Cymru sicrhau bod Asesiadau o Effaith ar Gydraddoldeb effeithiol yn cael eu cynnal i ddeall effaith gwariant arfaethedig a newidiadau ar grwpiau sydd â nodweddion gwarchoddedig, gan gynnwys pobl hŷn. Dylid cyhoeddi'r Asesiadau hyn hefyd er mwyn helpu i graffu ar benderfyniadau a wneir a sicrhau nad yw oedraniaeth wedi effeithio ar y gwaith o lunio polisiau a gwneud penderfyniadau.

Dylai allgau digidol fod yn ystyriaeth allweddol wrth ddatblygu a chraffu ar gyllideb ddrafft Llywodraeth Cymru. Mae angen cynnal gallu pobl hŷn nad ydynt ar-lein i gael gafael ar wasanaethau, nwyddau a gwybodaeth neu, mewn rhai achosion, eu hadfer. Fel y nodwyd uchod, nid oes gan 31% o bobl dros 75 oed fynediad i'r rhyngwrwd gartref ac nid yw 33% o bobl dros 75 oed yn defnyddio'r rhyngwrwd (gan gynnwys Teledu Clyfar a dyfeisiau llaw). Mae sicrhau bod gan holl adrannau gwario Llywodraeth Cymru adnoddau digonol i ddarparu gwybodaeth a gwasanaethau i ddinasyddion nad ydynt ar-lein yn rhan hanfodol o gynhwysiant ac atal y bwloch cydraddoldeb rhag lledu ymhellach. Rhaid ystyried hyn wrth gynllunio yn y dyfodol.

Crynodeb: Blaenoriaethau ar gyfer Cyllideb Ddrafft Llywodraeth Cymru

- Dyrannu adnoddau i gynyddu'r nifer sy'n hawlio Credyd Pensiwn drwy ddulliau newydd fel defnyddio data sydd gan awdurdodau lleol eisoes i ganfod pobl hŷn sydd ddim yn manteisio ar hwn ar hyn o bryd; sicrhau bod negeseuon am y cymorth sydd ar gael drwy'r Gronfa Cymorth Dewisol yn cael eu targedu'n well at bobl hŷn.
- Sicrhau buddsoddiad digonol mewn iechyd a gofal cymdeithasol, gan gynnwys cyllid ar gyfer atal a chymorth yn y gymuned.
- Parhau i ddarparu cyllid wedi'i neilltuo ar gyfer awdurdodau lleol i gefnogi'r gwaith parhaus o ddatblygu Cymunedau Oed-Gyfeillgar.
- Cynnal y cerdyn bws rhatach a sicrhau bod lleisiau pobl hŷn yn cael eu clywed ac y gweithredir ar yr hyn maent yn ei ddweud yng nghyswllt unrhyw newidiadau i drafndiaeth gyhoeddus yn y dyfodol, yn enwedig gwasanaethau bysiau.
- Cefnogi trafndiaeth gymunedol i ddarparu mwy o gymorth i bobl hŷn mewn ardaloedd lle mae diffyg difrifol o ran cludiant.
- Cynnal a chyhoeddi Asesiadau o'r Effaith ar Gydraddoldeb yng nghyswllt effaith gyfunol penderfyniadau gwario ar y gyllideb ddrafft sy'n debygol o gael effaith negyddol ar bobl hŷn i sicrhau nad yw oedraniaeth wedi effeithio ar bolisiau a phenderfyniadau.
- Sicrhau bod y gyllideb ddrafft yn cydnabod allgáu digidol ac nad yw'n cyfrannu at ehangu'r bwloch cydraddoldeb rhwng pobl nad ydynt ar-lein, llawer ohonynt dros 75 oed.

I gael rhagor o wybodaeth, cysylltwch â:
Rachel Bowen, Cyfarwyddwr Polisi

Comisiynydd Pobl Hŷn Cymru

Mae Comisiynydd Pobl Hŷn Cymru yn llais annibynnol ac yn eiriolydd ar ran pobl hŷn ledled Cymru.

Mae'r Comisiynydd yn cymryd camau i warchod hawliau pobl hŷn, rhoi diwedd ar oedraniaeth a gwahaniaethu ar sail oedran, atal cam-drin pobl hŷn a galluogi pawb i heneiddio'n dda.

Mae'r Comisiynydd yn gweithio i sicrhau Cymru lle mae pobl hŷn yn cael eu gwerthfawrogi, lle mae hawliau'n cael eu cynnal a lle nad oes neb yn cael ei adael ar ôl.

Sut i gysylltu â'r Comisiynydd:

Comisiynydd Pobl Hŷn Cymru
Adeiladau Cambrian
Sgwâr Mount Stuart
Caerdydd
CF10 5FL

Ffôn: 03442 640 670

E-bost: ask@olderpeople.wales

Gwefan: www.comisiynyddph.cymru

Twitter: [@comisiwnphcymru](https://twitter.com/comisiwnphcymru)

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 16 : Ymateb gan: Comisiynydd Pobl Hŷn Cymru | Response from: Older People's Commissioner for Wales





Senedd Finance Committee:

Call for information on the Welsh Government Draft Budget proposals for 2024-25

30 November 2023

Introduction

The Older People's Commissioner for Wales welcomes the opportunity to respond to the Senedd Finance Committee's call for information on the Welsh Government Draft Budget proposals for 2024-25.

The Commissioner would like to see the following areas prioritised when making decisions about the Welsh Government budget for 2024-25.

Cost of living crisis: Alleviating poverty among older people

As the cost of living crisis continues, a significant number of older people in Wales are living in relative income poverty (defined as living in a household where the total household income from all sources is less than 60 per cent of the average UK household income) and action is needed to address this. Nearly 1 in 5 older people in Wales live in relative income poverty. This equates to 155,960 people across Wales.

The rates of relative income poverty vary with age: affecting 19% of 65–69-year-olds, but 21% of 75–79-year-olds.¹ That means 33,744 people aged 65-69 and 27,315 people aged 75-79 are living in relative income poverty in Wales. The rate of relative income poverty is around 21% for people aged over 85.² In terms of gender, 29% of single older women live in relative income poverty.³ These figures are not necessarily a reflection of the current situation as complete data covering

¹ Stats Wales. (2023) Pensioners in relative income poverty by age of the head of household. March 2023. Available at: <https://statswales.gov.wales/Catalogue/Community-Safety-and-SocialInclusion/Poverty/pensionersinrelativeincomepoverty-by-ageoftheheadofhousehold>

² The limited number of respondents means that it has not been possible to update the figure for people aged over 85 since 2020. Ibid.

³ See Stats Wales. (2023) Pensioners in relative income poverty by family type. March 2023. Available at <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/pensioners/pensionersinrelativeincomepoverty-by-familytype>

For further information, please contact:
Rachel Bowen, Director of Policy

autumn/winter 2022-23 is not yet available: the full impact of the cost-of-living crisis on older people is yet to be reflected in statistics.

It is vital that the Welsh Government budget for 2024-25 allocates resources to alleviate the poverty experienced by older people. One of the ways the Welsh Government can reduce the impact of poverty without spending a significant amount of its own resources is to increase the take up of financial entitlements from the UK Government that currently go unclaimed. This would be an invest to save approach where using a relatively small amount of money could leverage in significant financial resources from the UK Government to boost the incomes of some of the poorest older people in Wales.

In terms of Pension Credit alone, up to 80,000 people in Wales are eligible but do not receive their entitlement. This means that over £200M is lost to Wales that could increase the incomes of older people. Pension Credit also unlocks a range of associated support, including additional cost of living payments from the UK Government. Ensuring fewer people miss out on Pension Credit would also boost spending power in communities across Wales.⁴ Research by Cardiff University suggests that increasing the basic rate of income tax in Wales by 1p in 2023-24 would have raised approximately £237M.⁵ This is comparable to the amount of unclaimed Pension Credit in Wales each year.

The Welsh Government has already undertaken work to highlight Pension Credit through benefit take up campaigns such as 'Claim What's Yours'. However, more and different action is needed to reach older people who are still missing out. This should include allocating funds for work with local authorities to use existing data sets to target older people who are likely to be eligible for Pension Credit or trialling other approaches.

In addition, sufficient resources need to be allocated in the draft budget to support the third sector to work with older people who are currently missing out on Pension Credit and other entitlements, assisting with claims where necessary. Advice services are a key element of increasing uptake of Pension Credit. Such resource allocation would represent an investment in offsetting some of the harmful effects of poverty, including the negative impact on physical and mental health that would otherwise be dealt with through the Welsh Government's funding of NHS services.

As the Discretionary Assistance Fund (DAF) is now the Welsh Government's main scheme for providing emergency support during the cost of living crisis, sufficient funding needs to be allocated to DAF in the draft budget. Additional work is also needed on ensuring that DAF is reaching older people as current data shows applications are disproportionately low. Figures provided to the Commissioner by the Welsh Government show that only 8,132 out of a total of 589,421 applications were made for an Emergency Assistance Payment (EAP) by people aged 70+; this is

⁴ Independent Age. (2019) *Credit where it's due: Ending the £3.5 billion Pension Credit scandal*, p.13. Available from: [Credit where its due report 0.pdf \(independentage.org\)](#)

⁵ Wales Fiscal Analysis. (2022) *Welsh Budget Outlook 2022*. Available at: https://www.cardiff.ac.uk/data/assets/pdf_file/0007/2688199/wbo_2022_full_report_final.pdf, page 41.

less than 1.40%. The Welsh Government needs to ensure that DAF funds are actually reaching older people who could benefit. This means working with local authorities to ensure that DAF is actively promoted as a source of support to older people across Wales, including people who are not online.

The Welsh Government should ensure that communication budgets reflect the need for specific (rather than generic) messaging so that older people recognise that sources of support such as the DAF are intended for older people. Communications budgets and planning also need to fund offline activity and promotion to reach older people who are not online, bearing in mind that 31% of over 75s do not have access to the internet at home and 33% of over 75s do not use the internet (including Smart TV and handheld devices).⁶

Investment in healthy ageing

The Welsh Government draft budget needs to focus on preventative action and ensuring that everyone can age well. Demand for some services can be reduced or postponed by enabling more people to age as healthily as possible. This requires action and investment to prevent additional expenditure dealing with problems that would otherwise occur.

For example, the severe pressures in social care must continue to be addressed including capacity in care homes, provision of domiciliary care and reablement services, and maintaining focus on the issue of delayed discharge from hospital. The Welsh Government's statement of intent "Building Capacity through Community Care – Further Faster" with its recognition that "there are missed opportunities for prevention and early intervention in the community, and people stranded in acute hospital and care home settings" is important.⁷ It is essential that resources are allocated towards prevention and reducing need while addressing current pressures.

The Welsh Government's draft budget needs to enable social care services to provide the support and services required by older people, ensuring that this is done in a way that upholds and protects people's rights. The future budget needs to provide sufficient investment in health and social care, including funding for prevention and community-based support.

However, healthy ageing and ageing well are not confined to the areas of health and social care. The ability to age well consists of a number of interrelated spheres that can be summed up in the model of Age-Friendly Communities. This evidence-based World Health Organisation (WHO) approach identifies eight essential features of communities that, together, enable us to age well. These are: outdoor spaces and buildings; transport; housing; social participation; respect and social inclusion; civic participation and employment; communication and information; and community

⁶ Welsh Government. (2022) National Survey for Wales April-June 2021. Available at: <https://gov.wales/national-survey-wales-results-viewer>

⁷ Welsh Government. (2023) Building Capacity through Community Care – Further Faster. Available at: [Building Capacity through Community Care \(gov.wales\)](https://gov.wales/building-capacity-through-community-care)

support and health services. All eight domains are important in terms of ensuring that everyone can age well across Wales.

The WHO Age Friendly Community approach was developed in 2007 and was built in consultation with older people on the evidence of what supports healthy and active ageing and supports older residents to shape the places where we live. This approach enables stakeholders, including older people, local authorities, businesses, local societies and the voluntary sector to co-operate to identify and make changes in both the physical and social environments.

The Commissioner is recognised as an Affiliate of the World Health Organisation's Global Network of Age-Friendly Cities and Communities and works to promote age-friendly progress at the local, regional and national levels. The Commissioner's Office also works as a catalyst at the national and regional level by promoting the age-friendly approach as well as providing guidance and support to local authority-led partnerships who wish to become members of the Global Network.

There are many examples of the health benefits of age-friendly action. For example, in Swansea, a weekly age-friendly walk around Swansea Marina, followed by a coffee and chat has become very popular, with close to 100 people taking part. The walk encourages socialising and reduces loneliness for older people in the city and wider area, bringing together diverse groups of people to form friendships. This is just one of the activities provided by Swansea's Age Friendly partnership.⁸

The Welsh Government has been supportive of the development of Age Friendly Communities as evidenced in 'Age friendly Wales: our strategy for an ageing society'.⁹ To date, £1.1 million has been provided to local authorities to have a dedicated officer in place and to support them to work towards joining the WHO Global Network of Age Friendly Communities and Cities. Progress continues to be made with an increasing number of local authorities joining the network over the past 12 months while good practice is being shared and scaled up by partners.

The continuation of Welsh Government funding is essential to ensuring that this progress and good practice is embedded across Wales. While the Welsh Government is committed to reducing the administrative burden on local authorities, it is important that funding to local authorities to support the development of Age Friendly Communities is not reduced or subsumed into wider financial settlements to local authorities and subsequently lost or repurposed.

Public transport and community transport

The cuts to public transport seen in the current financial year are a serious concern, impacting the health, wellbeing and everyday activities of older people. The Welsh Government budget for 2024-25 needs to ensure that public transport, and bus

⁸ Swansea Council. (2023) Press release. Available at: [Walkers say weekly stroll is changing lives for the better - Swansea](#)

⁹ Welsh Government. (2021) Age Friendly Wales: our strategy for an ageing society. Available at: [Age friendly Wales: our strategy for an ageing society \[HTML\] | GOV.WALES](#)

For further information, please contact:
Rachel Bowen, Director of Policy

services in particular, are funded to enable older people to access healthcare, leisure and social activity. Older people often describe public and community transport as 'lifelines', enabling access to local amenities, being able to volunteer, and keep in contact with families and friends.

The reduction in the numbers of older people using the concessionary bus pass is worrying. Earlier this year, CPT Cymru estimated that use of concessionary passes was only 40-50 per cent of pre-pandemic levels. There is a risk that any additional cuts to bus services due to insufficient funding will reduce this level even further as the services that older people need will simply not exist.

While commercial passenger numbers have struggled to return to pre-pandemic levels, community transport demand has resumed at its previous level. Community transport has a history of providing flexible and accessible community-led solutions in response to unmet local transport needs. It is sometimes the only means of transport for many people. However, community transport provision is not available in all areas where it would benefit older people and requires more secure and sustainable funding. This should be addressed in the draft budget.

Regular bus journeys can also build personal connections with drivers and other passengers. The Friends of the 65 Bus group in Monmouthshire have described how sometimes the absence of regulars is noted by the drivers who alert other passengers. In one case, this led to finding out that someone had experienced a fall and the group organised help with tasks until the person was well enough to return to using the bus and do their shopping again.

The Joint Statement on the new Bus Transition Fund (16 June 2023) stated that the Bus Transition Fund was developed collaboratively by Local Authorities, Welsh Government, Transport for Wales and the industry. However, the role of passengers, including older people, in these discussions and developments is unclear.

The voice of older people and passengers more broadly must be heard and acted upon in future decisions about bus funding and bus routes, as well as public transport more broadly. While it may not be possible to maintain every bus service at its current level, older people must be able to access transport in order to visit friends and family, work, volunteer, attend healthcare appointments and other services and generally do the things that matter to us all.

Reduced bus services will make it harder for some older people to stay in work or take part in volunteering activities. A significant number of older people continue to work (in Wales, 9.2% of people over 65 are in employment) while almost a third of people aged over 65 volunteer in some capacity.¹⁰ Both the paid employment and voluntary activity undertaken by older people make a significant contribution to Wales's economy (volunteering by older people was valued at £483M in a 2018 report by Bangor University and expected to rise).¹¹

¹⁰ Older People's Commissioner for Wales. (2023) Understanding Wales' Ageing Population: Key Statistics. Available at: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#)

¹¹ Bangor University. (2018) Living well for longer: the economic argument for investing in the health and wellbeing of older people in Wales. Available at: [livingwell2018.pdf \(bangor.ac.uk\)](#)

Unpaid carers who rely on bus services will also be adversely affected by cuts: around 55% of carers in Wales are over the age of 55 and unpaid carers are more likely to be female, older and living in deprived communities.¹² Future bus services should not be restricted to standard office hours and weekdays, leaving older people unable to get around in the evenings and weekends.

The proposed Welsh Government Bus Bill is intended to resolve some of the issues around provision of bus services and the Commissioner looks forward to engaging with the legislative proposals as they unfold. However, the Welsh Government's draft budget for 2024-25 needs to ensure that sufficient resources are allocated to bus services in the immediate future: action to address this cannot be put off until legislation is passed and implemented.

Ageism and Equality Impact Assessments

Ageism is the stereotyping, prejudice and/or discrimination against people based on their age or perceived age. Ageism can apply to any age group.¹³ The World Health Organisation estimates that globally, one in two people are ageist against older people, highlighting the scale of the challenge that needs to be addressed.¹⁴ The Welsh Government's draft budget for 2024-25 needs to ensure that decisions around spending and the prioritisation of resources are not influenced by ageism.

The diversity of older people also needs to be recognised in decisions around the Welsh Government's draft budget. It is important older people are not treated as a homogenous group. Policy development needs to reflect the fact that we become more diverse as we age i.e., in terms of experiences, interests, income, health and social relationships.

The Welsh public sector is currently facing a very challenging time in terms of financial settlements and spending pressures. However, there is a risk that older people bear a disproportionate burden from cuts to services. The combined impact of cuts to different types of services needs to be assessed. For example, cuts to bus services should not be viewed in isolation from cuts to other services used and valued by older people.

In compiling budget allocations for 2024-25, the Welsh Government needs to ensure that effective Equality Impact Assessments are undertaken to understand the impact of proposed spending and changes on groups with protected characteristics, including older people. These Assessments should also be published in order to aid scrutiny of decision making and ensure that policy and decision making have not been impacted by ageism.

Digital exclusion should be a key consideration in developing and scrutinising the Welsh Government's draft budget. The ability of older people who are not online to

¹² Older People's Commissioner for Wales. (2023) Understanding Wales' Ageing Population: Key Statistics. Available at: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#), p. 12

¹³ For more information on ageism, see: Older People's Commissioner for Wales. (2020) Taking Action Against Ageism. Available at: [Taking Action Against Ageism - Older People's Commissioner for Wales](#)

¹⁴ World Health Organization. (undated) Ageism. Available at: [Ageism \(who.int\)](#)

For further information, please contact:
Rachel Bowen, Director of Policy

access services, goods and information needs to be maintained or in some cases restored. As highlighted above, 31% of over 75s do not have access to the internet at home and 33% of over 75s do not use the internet (including Smart TV and handheld devices). Ensuring that all Welsh Government spending departments have adequate resources to deliver information and services to citizens who are not online is an essential part of inclusion and preventing the equality gap from widening even further. This must be taken into account in future planning.

Summary: Priorities for the Draft Welsh Government Budget

- Allocate resources to improve take up of Pension Credit via new approaches such as using existing local authority data to identify older people currently missing out; ensure messaging about support available via the Discretionary Assistance Fund is better targeted at older people.
- Ensure that there is sufficient investment in health and social care, including funding for prevention and community-based support.
- Continue to provide ring-fenced funding for local authorities to support the ongoing development of Age-Friendly Communities.
- Maintain the concessionary bus pass and ensure that older people's voices are heard and acted upon in any future changes to public transport, especially bus services.
- Support Community transport to provide greater assistance to older people in areas of severe transport deficit.
- Undertake and publish Equality Impact Assessments on the combined impact of spending decisions on the draft budget that are likely to have a negative effect on older people to ensure that policy and decision making have not been impacted by ageism.
- Ensure the draft budget recognises the issue of digital exclusion and does not contribute to widening the equality gap between people who are not online, many of whom are over 75.

For further information, please contact:
Rachel Bowen, Director of Policy

The Older People's Commissioner for Wales

The Older People's Commissioner for Wales is an independent voice and champion for older people throughout Wales.

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

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

How to contact the Commissioner:

Older People's Commissioner for Wales
Cambrian Buildings
Mount Stuart Square
Cardiff
CF10 5FL

Phone: 03442 640 670

Email: ask@olderpeople.wales

Website: www.olderpeople.wales

Twitter: [@talkolderpeople](https://twitter.com/talkolderpeople)

For further information, please contact:
Rachel Bowen, Director of Policy

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 17 : Ymateb gan: Sefydliad Tai Siartredig Cymru (STS) (Saesneg yn unig)
| Response from: Chartered Institute for Housing (CIH) Cymru





CIH Cymru response to the Finance Committee's consultation on Welsh Government Draft Budget 2024-25

Introduction

The past twelve months have seen the impact of the economic crisis being felt in all areas of Wales. Not least Welsh Government having to find £600m to balance the books. Monies that have come from departmental underspends or delaying some projects. These financial constraints and ongoing uncertainty come at a time of rising homelessness, decreasing supply of affordable homes and expectations on Registered Social Landlords (RSL's) and Local Authorities (LA's) to ensure they not only continue to develop additional homes but undertake work on existing homes to meet decarbonisation targets.

CIH Cymru believes that housing is a foundation mission for Government as a suitable, secure, and affordable home will improve health outcomes, reduce poverty, and increase economic activity throughout Wales. Despite this, the Welsh Government budget for 2023/24 saw only 4.6 per cent of the total budget allocation, based on DEL expenditure lines, committed to housing. Furthermore, since 2006, the average percentage of the Welsh Government budget spent on housing has been just 2.2 per cent¹ per annum, which CIH Cymru does not believe reflects the seriousness of the housing crisis that we are currently navigating as a nation. These monies were to develop new affordable homes, provide support so households could maintain their home, and for RSL's and LA's to decarbonise existing homes as part of meeting net zero targets. With rising homelessness fuelled by a lack of affordable housing and the financial pressures faced by RSL's

¹ UK Housing Review - <https://www.ukhousingreview.org.uk/ukhr23/tables-figures/pdf/23-057.pdf>



and LA's due to ongoing inflationary landscape, it has never been more vital to increase the investment into housing.

We have set out in this paper some of the ongoing impacts of the ongoing financial crisis here in Wales, together with our priorities for the 2024/25 budget. These priorities set out the expectation that, as a minimum, existing funding levels are retained but ideally are increased if we are to ensure that homelessness is rare and non-repeated as well as ensuring we can meet net zero targets.

Ongoing impact of the cost-of-living crisis.

Inflation in the UK remains high with the current rate being 4.6 per cent compared to 2.9 per cent in the Eurozone² Yet this is not the whole picture with food inflation at 10.1 per cent, and even though this has eased slightly 50 per cent of adults are spending more than they usually would on their weekly shop with some now buying less food as a direct result of rising prices³. The Bevan Foundation in their latest snapshot found that 15 per cent of households in Wales are going without essentials, 26 per cent of households are eating smaller meals or skipping meals and 13 per cent of households are in arrears on at least one bill⁴. Though it is not just those households who are in receipt of benefits who are struggling with rising costs. The latest hunger in Wales report found that 19 per cent of people seeking help are currently in employment⁵.

We welcome the additional £18.8 million allocated to the discretionary fund in 2023-24 to help mitigate some of the impacts of the current cost of living crisis. As

² Inflation in the euro area. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation in the euro area](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation_in_the_euro_area)

³ Cost of living insights: Food.

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food#:~:text=Food%20inflation%20continues%20to%20ease&text=This%20was%20down%20from%2012.2,see%20for%20over%2045%20years.>

⁴ A snapshot of poverty in summer 2023. <https://www.bevanfoundation.org/wp-content/uploads/2023/08/Snapshot-of-poverty-in-summer-2023.pdf>

⁵ Hunger in Wales.

<file:///C:/Users/Cerys%20Clark/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/LYD8KZHO/2023-Hunger-in-Wales-report.pdf>



the crisis continues, we ask Welsh Government that this level of investment is maintained to help support low-income families mitigate the ongoing impact.

Some of the other levers that can be used to mitigate the impact of the cost-of-living crisis are not devolved to Wales. Yet we ask Welsh Government to work with the UK Government to ensure that welfare benefits can always cover the essentials for a household. We also ask them to work with UK Government to implement a social energy tariff so those households on a low income can access affordable heat this winter. Both these asks are also part of the Chartered Institute of Housing's Homes at the Heart a Strategy for housing⁶.

The supply of social/affordable homes

There is an ongoing strong commitment to the provision of additional affordable homes here in Wales, with £375m committed to the Social Housing Grant for 2024/25 to ensure ongoing progress to meet the 20,000 new homes at social rent target for this Senedd term. The need for social housing has never been so great with 11,000 individuals currently in temporary accommodation and a shortage of affordable private rent properties. Whilst we welcome the unfreezing of Local Housing Allowance in the Autumn Statement there are still considerable issues with affordability in the private rented sector with the latest rent rise figures being 9.6 per cent rent for newly available homes in the Private Rented Sector.

It is therefore vital that there are sufficient levels of funding for the development of social and affordable homes to rent in Wales. We have calculated the level of annual investment needed to build a sufficient number of affordable homes just to meet the demand from those households seeking assistance to prevent or

⁶ Homes at the heart a strategy for housing. <https://cih.org/publications/homes-at-the-heart-a-strategy-for-housing>



relieve their homelessness in 2022/23⁷ at around £391 million per annum based on the current Acceptable Cost Guidance⁸ and estimates of housing need⁹. This is lower than the current level of investment. The £391 million per annum is also likely to be lower than the total investment needed as not everyone on housing waiting lists will seek assistance to prevent or relieve homelessness.

We have also heard from our members that the increasing cost of borrowing is now impacting financial viability assessments for proposed developments. At the same time, it is also costing significantly more to ensure existing homes can meet the ambitious decarbonisation goals set out in WHQS 2023. There is a risk that development will slow down or there will be a delay in meeting the ambitious decarbonisation goals as finances continue to be squeezed for developing new homes together with increasing costs for retrofitting existing homes as part of meeting net zero. So as a minimum we would like to see the current level of capital investment into social housing grant maintained but there is a need to increase this funding to ensure we have enough affordable homes to meet the rising need here in Wales and to overcome the current housing crisis.

Funding for WHQS 2023

Social housing providers are already having to manage real-terms cuts to their budgets due to ongoing inflationary pressures. Welsh Government has committed to spending £70m in 2023/24 and £70m in 2024/25 on the optimised retrofit budget to help meet WHQS. There is also an additional £22.5 million over the next

⁷ Households for which assistance has been provided by outcome and household type.
<https://statswales.gov.wales/Catalogue/Housing/Homelessness/Statutory-Homelessness-Prevention-and-Relief/householdsforwhichassistancehasbeenprovided-by-outcome-householdtype>

⁸ acceptable cost / on costs for use with Social housing grant funded housing in Wales.
<https://www.gov.wales/sites/default/files/publications/2023-07/costs-included-in-social-housing-grant-guidance-for-social-landlords.pdf>

⁹ Estimates of Housing Need (2019-based) by Tenure, Variant and Year.
<https://statswales.gov.wales/Catalogue/Housing/Housing-Need/2019-based/estimatesofhousingneed2019based-by-tenure-variant-year>



2 years. Whilst these monies are welcome, they fall short of the total investment needed.

According to the Future Generations Commissioner's Homes Fit for the Future: The Retrofit Challenge (carried out by New Economics Foundation) there's a £2.7bn funding gap in the amount needed to retrofit social housing and a £3.9bn gap to retrofit homes in fuel poverty in Wales. It goes on to say that the total investment needed over the next decade to retrofit social housing stock in Wales is £5.52bn (£4.82bn to retrofit homes in fuel poverty) with around £1.7bn of that to come from Welsh Gov and £3.6bn from Westminster¹⁰.

Whilst social housing providers are committed to decarbonising their stock and moving to net-zero, significantly more funding will be needed to support social housing providers to meet the new WHQS standards.

Funding for frontline services

Our latest sector snapshot survey undertaken by Housing Futures Cymru¹¹ found that housing professionals working in frontline services do not have sufficient resources and services are suffering as a result. Whilst we welcome the commitment in the 2023/24 budget to provide an additional £227 million to Local Authorities and another £268 million in 2024/25, inflationary pressures and the ongoing cost of living crisis have left many Local Authorities with significant budget deficits.

¹⁰ Homes fit for the Future: The Retrofit Challenge.
https://www.futuregenerations.wales/resources_posts/homes-fit-for-the-future-the-retrofit-challenge/

¹¹ Sector Snapshot. Survey of housing professionals in Wales.
<https://www.cih.org/media/1d0iaaeu/0361-survey-of-housing-professionals-in-wales-report-1-v1.pdf>



This is coupled with a doubling of the costs associated with providing temporary accommodation for homeless households, with some local authorities seeing a 1000 per cent rise¹². The latest data on homelessness showed a 7 per cent increase in the number of households becoming homeless¹³. If this trend continues it will increase the financial burden on Local Authorities due to ongoing provision of temporary accommodation. We ask that Welsh Government increases the funding available for Local Authorities to ensure that statutory frontline housing services can continue to provide high quality services to those facing or experiencing homelessness including the provision of temporary accommodation. We would also ask Welsh Government to ring fence any additional council tax income generated from second homes or empty homes to be invested into housing services. This is not currently the case but is a solution to the financial constraints many local authority housing, and homelessness services are facing currently.

The current level of investment into Housing Support Grant

The amount of revenue funding provided to the Housing Support Grant was increased during the Covid-19 pandemic to help support agencies navigate the impact the pandemic has on individuals who needed support. Yet the level of funding was frozen for 2023/24 against a backdrop of rising inflation. We have heard from members that some floating support services are being decommissioned due to rising homelessness levels in tandem with budgets being squeezed. There have been some increases to price bands to enable wage rises to combat cost of living pressures for support staff. This in turn has reduced the

¹² Temporary accommodation bill rises by over 1,000% in Welsh county. [https://www.insidehousing.co.uk/news/temporary-accommodation-bill-rises-by-over-1000-in-welsh-county-82241#:~:text=A%20county%20in%20north%2Dwest,over%20the%20past%20five%20years.&text=Gwynedd%2C%20the%20second%2Dlargest%20county,\(FOI\)%20by%20Inside%20Housing.](https://www.insidehousing.co.uk/news/temporary-accommodation-bill-rises-by-over-1000-in-welsh-county-82241#:~:text=A%20county%20in%20north%2Dwest,over%20the%20past%20five%20years.&text=Gwynedd%2C%20the%20second%2Dlargest%20county,(FOI)%20by%20Inside%20Housing.)

¹³ Homelessness in Wales, 2022-23. <https://www.gov.wales/sites/default/files/statistics-and-research/2023-08/homelessness-april-2022-march-2023-603.pdf>



amount of support that can be provided. Though without the price band increases the scheme may not run due to a lack of staff. In addition, there are concerns around the allocation of the old s.180 funding redistribution which could leave some local authorities losing out on more funding, reducing the number of support schemes that could be operated as part of preventing and relieving homelessness. We ask for an increase to the revenue funding for housing support grant to safeguard the provision of floating support and supported accommodation. These services are needed more than ever as homelessness continues to rise as part of Local Authority efforts to ensure that homelessness is rare, brief and non-repeated.

The right of adequate housing

As previously outlined CIH Cymru believes that housing is a foundational mission of Government as a lack of housing can increase poverty and worsen health and wellbeing outcomes. We need to ensure Wales has housing as its foundational mission by incorporation of the right to adequate housing into Welsh law.

Investment in the progressive realisation of the right to adequate housing will generate socio-economic benefits that outweigh the costs. Investing £5 billion in ending homelessness and improving housing adequacy can generate £11.5 billion in economic and social benefits over a 30-year period. In other words, spending £1 to provide adequate housing in Wales will generate £2.30 in benefits by:

- Saving £5.5bn in improved well-being.
- Saving £2bn from local council budgets.
- Saving £1bn for the NHS.
- Saving £1bn for the criminal justice system
- Generating £1bn in additional economic activity¹⁴

¹⁴ The right to adequate housing in Wales: cost-benefit analysis. An independent research report by Alma Economics. <https://www.taipawb.org/wp-content/uploads/2022/09/Alma-Economics-Back-the-Bill-Final-Phase-2-report.pdf>

Enshrining the right will not only ensure individuals can access a safe, suitable, and affordable home but will also increase the monies available to invest in our public services improving our financial outlook and quality of life for generations.



**Chartered
Institute of
Housing**
Cymru

Summary of Asks

- **Investment in Social Housing Grant is increased to ensure that the supply of affordable homes is at the right level to mitigate the current housing crisis and rising levels of homelessness.**
- **Ensure that the meeting of WHQS 2023 standards is properly financed.**
- **Reassess the level of funding provided to frontline statutory homelessness services due to increased demand. Also look at ensuring additional council tax raised to mitigate the impact of second homes is ring-fenced to be invested into statutory frontline housing services.**
- **Enshrine the right to adequate housing into Welsh legislation. The right will realise significant savings that can be used to further invest in public services coupled with increased economic activity. For every £1 spent on progressively realising the right to adequate housing, there will be £2.30 in benefits that can be invested into Welsh public services.**
- **Continue to work collaboratively with housing providers to ensure a fair and equitable rent settlement that ensures rents are affordable for tenants whilst enabling social landlords to generate a level of income that can be invested in the delivery of core services and meet Welsh Government ambitions around development and decarbonisation.**
- **The additional investment in Housing Support Grant should be sustained and further investment considered on the basis of potential demand across all housing tenures.**



Chartered
Institute of
Housing
Cymru

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. 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.

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 18 : Ymateb gan: Sylfaen Iechyd Meddwl Cymru (Saesneg yn unig) |
Response from: Mental Health Foundation





Comments for Senedd Finance Committee Budget 2024/25 Consultation

Question 3. What action should the Welsh Government take to help households cope with inflation and cost of living issues?

We recommend that the Welsh Government take the following actions to reduce the mental health effects of the Cost of Living Crisis:

1. The single most important preventative intervention will **be financial support schemes that prevent people from experiencing poverty and financial stress**. We support the Essentials Guarantee campaign on uplifting welfare benefits, being run by the Joseph Rowntree Foundation and Trussell Trust. Social security benefits should be updated so that they enable people to pay for the essentials of daily life.

It is also important that income support schemes are operated in a non-stigmatising, respectful manner and are easy to access, in order to increase uptake. Poverty stigma is associated with lower mental wellbeing.¹ **Welsh Government mitigation supports should be provided automatically wherever possible, and available through easy-to-access processes.** Initiatives such as free school meals should be delivered in non-stigmatising ways so that children do not have to identify as receiving them on the basis of need.

According to Wahlbeck and McDaid (2012) countries with strong social [security] safety nets see smaller changes in the mental health of the population related to economic downturns. Similarly, a more recent systematic review has found that unemployment insurance supports are correlated with better health outcomes. Furthermore, there is evidence of public support in the UK for financial measures as a means of improving mental health.²

2. **Support community social networks, resources, and resilience.** Community infrastructure such as local community groups, sports and other physical activity clubs, children's clubs and clubs for young people can provide valuable social support during times of stress. We recommend fast-track access to additional funding for community groups that support people living in poverty, especially support for grassroots organisations or initiatives that are likely to support them.

¹ See Inglis, G., et al. (2022) 'Poverty stigma, mental health and well-being: a rapid review and synthesis of quantitative and qualitative research', Journal of Community & Applied Social Psychology, <https://doi.org/10.1002/casp.2677>

² [Mental health and the cost-of-living crisis report: another pandemic in the making? | Mental Health Foundation](#)



3. **Assess the mental health impact of all Government decisions that address the Cost-of-Living Crisis and implement these assessments.**

The Welsh Government should implement Mental Health Impact Assessment for all Government decisions.

4. **Ensure that frontline workers know how to respond effectively to the mental health effects of financial stress and strain.** This should include frontline workers in health, social care, money and debt advice services, and anti-poverty, and other community organisations, as well as energy companies, water and telecoms services, and private financial services companies.

The Welsh Government should support capacity-building programmes for frontline workers who engage with people experiencing financial stress to be able to provide a trauma-informed, mental health-aware approach.

5. **Provide adequate money advice and debt relief schemes.**

The Foundation's Cost of Living Report found that Wahlbeck and McDaid (2012) reported that reducing debt has been shown to improve mental health outcomes. They note that in Sweden, people in high debt who had been granted debt relief had better mental health than those who had not, while a controlled trial of access to debt management services in England and Wales reported improvements in general health, anxiety, and optimism. A more recent study found that having an additional-debt account paid off reduces the likelihood of exhibiting anxiety by 11%. In this regard, it is important to ensure that relevant public authorities are commissioning sufficient debt advice services in their local areas. A key challenge is ensuring that debt advice reaches those groups who would benefit most, early enough. Integrating debt advice with other services, such as GP surgeries, mental health services and housing associations, can make it easier to access, and this needs to include face-to-face provision of support.

6. **Ensure that everyone can afford and has access to good public transport, including in rural areas.**

Social isolation is a risk factor for mental health problems, while increasing social connectedness is protective of mental health. Being able to use an efficient and affordable public transport system enables people to maintain their social connections, attend their mental health appointments, and go to work: it should be seen as a public mental health measure. For people living in rural areas, rural transport schemes are vital resources for maintaining social connection.



The UK and Welsh Governments and local authorities have a responsibility to ensure provision of an affordable transport network for work, accessing health services, and social connection. As part of this, they should expand free and/or concessionary travel schemes to all young people up to age 26 and all people on low incomes and extend concessionary schemes for public transport to people with severe mental health problems. There must also be assurances that the travel services and timetables offered meet the needs of the community.

7. Specific support for Refugees and Asylum Seekers.

Many income support schemes in the UK are not available to asylum-seekers. **The Welsh Government should intervene to ensure that asylum-seekers are able to have an adequate standard of living that does not entail financial stress.**

Rationale for these recommendations: The Mental Health Foundation's report on the Cost of Living Crisis, published in February, 2023 warned that the crisis was at risk of becoming a new pandemic in terms of people's mental health.³ The report found that financial strain and poverty are key drivers of poor mental health, while debt (especially unsecured, short-term debt) is also strongly associated with poor mental health. It found that both current financial hardship (material deprivation) and subjective (self-perceived) financial strain are linked with depression. Financial stress, through its influence on parental mental health, marital interaction, and parenting, negatively impacts on the mental health of children and adolescents. People struggling to pay their rent or mortgage, feed their families, or cover essential bills are at higher risk of developing mental health problems including anxiety and depression.

The Bevan Foundation's Cost of Living Tracker provides some Welsh evidence of the link between the Cost of Living Crisis and mental health: their Snapshot report for Winter 2023 showed that over half of people in Wales reported that their mental health was affected by their financial position during Winter 2023.⁴ Polling carried out at the end of March and early April 2023 by Opinion for the Mental Health Foundation revealed the most common self-reported cause of anxiety for people across the UK was being able to pay bills. 32% of UK adults said being unable to pay their bills had made them feel anxious in the past two weeks.⁵ In the same poll, 20% of UK adults said debt had made them feel anxious in the last two weeks.

The Joseph Rowntree Foundation's cost-of-living tracker assesses how households in the bottom 40% of incomes are faring during the cost-of-living crisis.⁶ The data from May 2023 showed evidence of

³ [Mental health and the cost-of-living crisis report: another pandemic in the making? | Mental Health Foundation](#)

⁴ See [Snapshot-of-poverty-in-winter-2023.pdf \(bevanfoundation.org\)](#).

⁵ [Financial strain is driving the UK's anxiety | Mental Health Foundation](#)

⁶ [Unable to escape persistent hardship: JRF's cost of living tracker, summer 2023 | JRF](#)



the links between experience of financial strain, forgoing essentials, and poor mental health. More than one third of low-income households (4.1 million households) reported having a person struggling with poor mental health in the last two years. Of this group, 40% said their mental health had deteriorated during the last two years and 26% said their poor mental health had started within the last two years.

Among low-income households who said they were going without at least one essential, nearly half (47%) reported at least one household member experiencing poor mental health in the last two years, compared to 14% of households not going without essentials. Of the low-income households with a member who had a mental health condition, more than half (51%) reported going without three or more essentials in the last six months.

The Welsh Government's Expert Group on the Cost of Living Crisis has reported that "particular low-income households, such as those with disabled people, Black, Asian and Minority Ethnic households, women, carers, and those with young children, are being disproportionately affected by the rising prices associated with the crisis.⁷ Each of these groups are also at higher risk of poor mental health than the general population. Thus, the Cost of Living Crisis is compounding their existing risk of poor mental health.

Question 7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

No, we do not believe that enough is being done currently to alleviate financial stress among people living in Wales. This is evident from the Bevan Foundation's, Mental Health Foundation's and Joseph Rowntree Foundation's surveys as reported in Question 3 above. See our recommendations in answer to Question 3.

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

⁷ [Summary Response and Recommendations for Action \(gov.wales\)](https://gov.wales)



We recommend the Welsh Government commit to supporting the Real Living Wage in public sector commissioning (including health and social care). This would likely benefit women who are more likely to be in lower-paid health and social care roles.

The Scottish Government should ensure that there is a strong women's mental health strand in the new mental health strategy that is currently being developed.

– Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)?

We do not think that the Welsh Government's spending on preventative approaches in mental health is visible or trackable. There should be a clear allocation of funding in the mental health budget to prevention, and spending in other Government Departments on mental health prevention should also be visible.

– Is there enough infrastructure investment targeted at young people?

No, we believe that more needs to be done to ensure that young people have access to free transport. Free transport should be extended to all young people up to age 26.

It is also important that all young people can afford access to social, mental and physical health activities, including youth services, sports, arts, play, music, etc.

– 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?

The valuable role that third sector organisations carry out in supporting people's mental health and wellbeing should be supported and recognised.

We recommend fast-track access to additional funding for community groups that support people living in poverty so that they can build their capacity to support people's mental health, especially support for grassroots organisations or initiatives that are likely to support them.

There is also a need for longer term sustainable funding. Early confirmation of continuation funding (ahead of the financial year) would be helpful, as well as multi-annual funding for agreed programmes and services.



– 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 Well[1]being of Future Generations Act?

We do not think that the Welsh Government’s spending on preventative approaches in mental health is adequate, visible or trackable. There should be a clear allocation of funding in the mental health budget to prevention, and spending in other Government Departments on mental health prevention should also be visible.

Mental health problems cost the Welsh economy £4.8 billion each year. It is possible to prevent mental health problems. Evidence in our report on the Economic Case for Investing in the Prevention of Mental Health Conditions in the UK⁸ shows that there are cost-effective interventions to prevent mental health problems. In almost all cases of poor mental health, our genes do nothing more than carry a slight risk. What is more important to look at is the wide range of social, economic, family and emotional factors that interact with our genes and our biology. These factors can make us more or less likely to develop a mental health problem.

As a prevention charity, we believe that social, economic and cultural inequalities that result in health inequity cannot be resolved within mental health services alone – action must be taken to address the social determinants of mental health, in the spaces where people are born, raised, live and work (e.g. in families, communities, schools and workplaces).⁹ This should include supporting those at greatest risk such as those living in emergency accommodation, in women’s refuges and transitional accommodation or services for those seeking sanctuary.

In our Inequalities report,¹⁰ we recommended that in order to reduce the prevalence of mental health problems, action is required that directly addresses these factors across three different levels:

- i. **Structural measures** - actions to change the social and economic influences that can lead to mental health problems. For example, reducing income inequality, poverty, unemployment, domestic violence, discrimination and homelessness.
- ii. **Measures to strengthen community assets** – including activities to increase social connectedness, improve community environments, foster participation in community decision-making, and increase awareness of both risk factors and community resources to support mental health and wellbeing.

⁸ [The economic case for investing in the prevention of mental health conditions in the UK | Mental Health Foundation.](#)

⁹ Mental Health Foundation (2020) Tackling Social Inequalities to Reduce Mental Health Problems

¹⁰ Ibid



- iii. **Measures at the individual level** – this includes educating people about how to look after their own mental health, peer support, and showing people how they can contribute to the mental health of their communities and families.

To maximise impact and address the interrelationship between these factors, concurrent action should be taken across each of these three levels.

As a prevention organisation, we have called for a new cross-government Prevention Strategy that tackles all inequalities through ‘proportionate universalism’. A proportionate universalism approach balances universal actions (for everyone) with targeted actions (for specific groups) and allocates resources according to levels of need. Under this approach, action should be taken for everyone, but the scale and intensity of interventions should be proportionate to the level of disadvantage experienced.¹¹

Further information: For additional information on this submission, please contact Shari McDaid, Head of Policy & Public Affairs (Scotland, Wales and Northern Ireland) at



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 19: Ymateb gan: Cwmpas (Saesneg yn unig) | Response from: Cwmpas (English only)



Welsh Government Draft Budget Scrutiny

Social Enterprise Stakeholder Group

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

The Welsh Government's continued funding of specialist support for the social business in Wales through the Social Business Wales programme has been essential to the growth and development of the sector. Research mapping the sector in 2022 has shown that post-Covid, the sector is going from strength to strength with high levels of new entrepreneurial activity. There are now approximately 2,828 businesses in the sector, an increase of 22% from 2020 (2309), delivering a wide variety of economic, social and environmental benefits to communities in Wales.

Just some of the different types of impact are highlighted in the following case studies from recent winners of the Social Business Wales Awards 2023:

Social Enterprise of the Year Award- Câr-y-Môr

Câr-y-Môr is committed to starting the first commercial seaweed and shellfish farm in Wales, to motivate and inspire others to duplicate. With a commitment to making a positive impact on the Welsh coastline and the local community, Pembrokeshire based Câr-y-Môr puts their people and community at their core.

<https://www.carymor.wales/>

Building Diversity, Inclusion, Equity, & Justice Award – Outside Lives

With nature as their guide, Outside Lives are committed to connecting both people and communities, creating a more supportive, adaptable, resilient and resourceful environment for every living thing.

<https://www.outsidelivesltd.org>

The social enterprise sector in Wales is growing and diversifying to maximise the impact it has in Welsh communities. Social Business Wales offers free specialist support to new and growing businesses to answer some of the key challenges facing the country. It is now delivered by a consortium of members of the Social Enterprise Stakeholder Group, with Cwmpas as lead delivery partner. The social enterprise sector and the ecosystem of specialist support providers is joined-up and working collaboratively to deliver on the ten-year Vision and Action Plan launched in 2020 which seeks to make social enterprise the business model of choice in Wales by 2030.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

– How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

While our 2022 mapping of the social business sector found that there are high levels of optimism and entrepreneurialism in the sector, there are still signs of vulnerability, with evidence suggesting there may be lingering effects from the pandemic alongside an increasingly competitive trading environment, potentially triggered by a reduction in available funding.

The changing landscape of funding, the loss of EU funding and the cessation of grant finance offered during the pandemic appear to be affecting social businesses with an increased proportion noting issues relating to cash flow. These challenges are perhaps all the more acute given recent inflationary pressures associated with energy costs and other key items of expenditure. It is also important to note that the imposition of restrictions during the pandemic had a clear and disproportionate impact on the sector as a whole. Differing grant support, trade demand and ability to operate means that, at an organisational level, business performance, size and turnover has changed dramatically in different ways between 2020, 2022 and today.

Despite these challenges, we know that investment in supporting the development of the social enterprise sector will create a more sustainable and resilient Welsh economy for the future. The triple-bottom line model of social enterprise means that these organisations and the services they provide are anchored in communities, prioritising the creation of social value rather than economic value generation for shareholders. Throughout these challenging economic conditions we have seen high levels of innovation and entrepreneurialism to pivot to new contexts, transform services to continue to deliver value, and exploit new opportunities. Wales owned social businesses can also play a key role in preventing exploitation of key assets by businesses from elsewhere that are less socially and environmentally motivated.

The Welsh Government should continue to support the sector through challenging times by prioritising and the provision of consistent specialist support services for the sector across Wales. Current levels of funding for specialist support services are delivering results as demonstrated by the findings of the 2022 mapping exercise, and we believe this is just the start of the growth of the sector at a time when these models have never been needed more. The transition from EU funding has been difficult and Welsh Government investment has played a vital role in enabling the continued provision of support. However, there has been a contraction of funding which has impacted the level of service provided, and, as always, there is more that could be done with more investment to grow the sector at pace as a key mitigation of the impacts of the multiple crises we're facing in the current context.

The current context of financial challenge alongside the climate emergency, conflicts and a changing relationship with Europe and the rest of the world, demand that we do things differently if we are to achieve positive outcomes for people and communities in Wales. This provides a real opportunity to set a different vision for the economy in Wales, one that has people and the planet at the heart. We are small enough with a strong legislative framework and the passion as a small nation to be world leading in our response. However, when funding contracts the tendency is to pull back from innovation and change, when it's needed most. Social business models offer the potential to really transform the economy and public services through a wellbeing economy approach that puts communities at the heart and sees wealth generation redistributed back into local areas.

As well as specific funding, the Welsh Government can take on a co-ordination role of different funding streams across the country – particularly funds such as the Shared Prosperity Fund – to ensure equal service provision in different areas. In addition, the Welsh Government can ensure its expenditure in other areas prioritises the creation of social value through procurement practices that promote the role of social enterprise. To go a step further, the Welsh Government should take a pro-

active role in facilitating the networks, investment and entrepreneurialism that can lead to the development of more community-based, democratically-owned social enterprises in the supply chain in the future.

As an organisation, Cwmpas has worked hard to ensure a stable financial future in the short term in a very difficult period of transition from EU funding. Accessing regional investment in the form of SPF has played a critical part in this sustainability for 2024-25. However, in the longer term, there is great uncertainty in a financial climate that is increasing challenging. As with other organisations in the 3rd sector, funding core costs is extremely difficult which has an impact on the ability to robustly plan for future sustainability. However, we are reviewing our strategy to ensure its continued relevance and are developing an underpinning funding plan to enable us to deliver against it and prepare as best we can for the future. The difficulty of doing this effectively in a context of ongoing uncertainty, and the impact it will have on the sector, should not be underestimated.

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

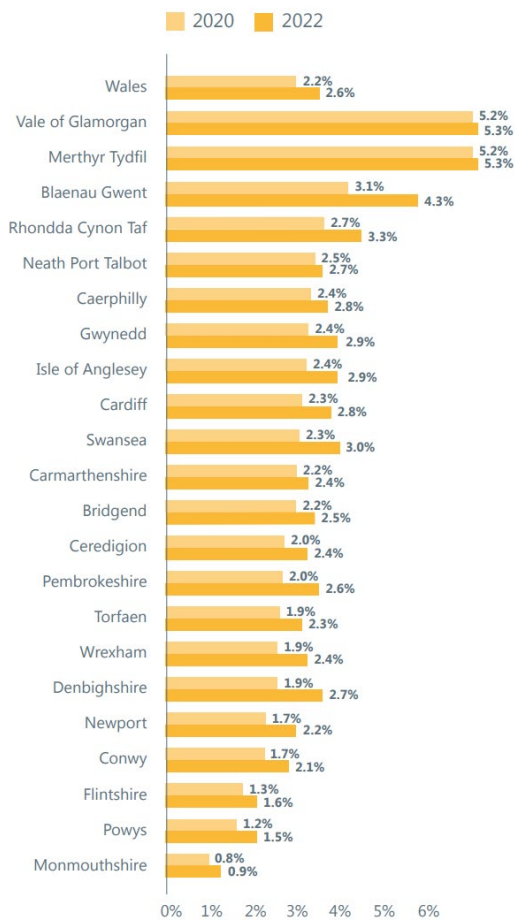
– How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

We know that the work social enterprises do to ensure the delivery of accessible, inclusive, community-based services and activities are essential to well-being of people across Wales. A brilliant example from the recent Social Business Wales Awards 2023 was the winner of the Community Based Social Enterprise Award, With Music in Mind.

With Music In Mind is a not-for-profit Community Interest Company based in South Wales offering a regular service for older people in the community. The judges were impressed by the care and dedication With Music in Mind show towards the people that need their service, and their plans to extend their services to a wider area, ensuring more people suffering with isolation have the support they need and deserve.

Our research shows that social enterprises in Wales are often concentrated in areas of deprivation. Our mapping exercise found that 45% of social businesses operate in the top 40% most deprived areas in Wales, and only 30% operate in the 40% least deprived areas. We can see in Figure 3.4 (taken from the mapping exercise) below that social businesses are vital to the economy particularly in areas such as the south Wales valleys, proving high-quality jobs. In addition, they provide a variety of essential services that promote well-being and connection in communities.

Figure 3.4: Proportion of social businesses out of total business stock 2020 and 2022



The budget must think long-term about the type of economy and communities we are trying to build. We need to foster an economy that leads to stronger, more resilient communities and economies that are more resistant to painful external shocks. Investing in the social enterprise sector and the support available to them, as well as using other policy levers to ensure that government and public bodies are pro-actively supporting the development of the sector and considering how these models could be applied to doing things differently in response to the complex social challenges our communities and public services are facing.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Building a greener economy means promoting and facilitating models of business that put sustainability at the heart of their modus operandi. Investing in developing and growing the social business sector should be pivotal to tackling the climate crisis. The triple bottom line at the foundations of a social business – people, planet, profit – means that the innovation and

entrepreneurialism of the private sector can be fostered to answer the challenges facing our communities in a way that also prioritises a positive impact on the world around us.

The Community Energy Wales State of the Sector 2022¹ report found “a reported total community-owned electricity generation capacity of 27.5 MW, including solar, wind and hydro” across 67 organisations with 8599 members and 586 volunteers. The report indicates that “projects not only generated renewable energy but also generated income that was local, long term and held within local communities. In total 75% of organisational expenditure was retained in the local area. Further, the survey reported that energy efficiency services resulted in £222,000 saved on household bills. In this context, the surplus income channelled into community benefit funding delivered an overall spend of £276,500 supporting local communities. In Wales, 79 new jobs were created, extending the overall FTE staff employed in community energy to 145.”

While some social businesses have a product or service that is specifically dedicated to mitigating or tackling climate change, others may work in a different sector entirely but still have operating sustainably and in a green way at their heart of their business. Our 2022 mapping data found that over half of social businesses said that mitigating the climate crisis was a ‘high’ or ‘essential’ priority for them, while only 10% said it was not a priority. As you can see in the case study below, the social enterprise model facilitates the innovation and economic impact that enterprise can bring and applying it to finding the solutions we need for a sustainable, net zero Wales.

Social Enterprise Innovation of the Year Award – Creating Enterprise

Creating Enterprise, part of Cartrefi Conwy, is an award-winning building and maintenance contractor based in North Wales. The judges were impressed by their plans to build energy efficient, carbon zero homes, certified by Beattie Passive, whilst also employing the people supported by Cartrefi Conwy in the construction of these innovative homes.

<https://www.creatingenterprise.org.uk/en/home/>

The mapping report also highlighted how social businesses could be supported to introduce measures to come carbon neutral. At a time of challenging economic conditions, many businesses said that while they wanted to become carbon neutral, they were having to spend all their time and resources on remaining economically viable and continuing to deliver their services. As a result, 44% said that grants/funding would be most helpful to them to become carbon neutral. Alternatively, 24% said that advice and guidance would be most helpful. Other options included an audit/measure of their carbon footprint (8%), local government support (8%), more time/staff capacity (6%) and support with strategic planning/policy development (4%).

We therefore strongly believe that the Welsh Government must invest in support for the social enterprise sector, both in terms of existing businesses and facilitating the model becoming the business model of choice in Wales by 2030, in line with the Ten Year Vision and Action Plan. Making the social enterprise and democratic ownership models the go-to business model for economic development in Wales will bring multi-faceted benefits for communities as we see to ensure a just transition.

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and

¹ <http://www.communityenergywales.org.uk/ycc-login/resources/welsh-report-draft-8.pdf>

taxation effectively?

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Social enterprises provide essential community-based services that improve well-being, create better-connected communities and create good jobs in areas of high-deprivation, and across Wales. They should be supported to continue to provide these services during challenging economic conditions and the sector should be invested in and facilitated to support their ambitions to grow even further. There should be two objectives – helping people and communities through the challenging short-term problems they are facing, and then building local economies and communities that help move people away from poverty. Social business models are a potential solution to many of the complex issues facing communities and should be at the heart of the plan to achieve both of these objectives. This should be reflected in the level of investment and prioritisation within government spending and policy decisions.

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

– Is the Welsh Government’s approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Prevention should be given the highest priority possible given the state of perma-crisis we exist within at present, and the damaging impacts on communities. Making Wales and our communities more resilient to external shocks should be a key ambition of economic policy moving forward. This should come in the form of both investing in the social business sector to achieve our ambition and changing policy and practice to promote and facilitate the development of the social business model as the model of choice.

In times of financial crisis retraction of preventative funding can be seen as an easy response but with devastating consequences. To address the many complex challenges we’re facing we need to be brave and invest the little money that is available differently to achieve greater outcomes. Continuing to invest as we always have will not bring the scale of change required to navigate these complex challenges with positive outcomes for people, communities and future generations.

We welcome the Future Generation’s Commissioner’s mission around a Wellbeing Economy. It is important to note that to achieve an economy that prioritises well-being, we need to transform how we see government spending. At times when the Welsh Government’s spending power is weakening, seeing all spend as an investment rather than a cost is pivotal. We must seek to ensure that money invested here remains in Wales where possible and goes towards supporting businesses that help achieve that goal, ensuring money stays circulating in local economies through businesses that are

not only profit-driven but also prioritise positive and sustainable impact on people and planet. In some cases, this may be through the continued reform of procurement processes to prioritise social value. In other cases, we need Government to take a pro-active role in developing supply chains, incentivising the creation of social and community-led enterprise, and using government spend as an investment in this economy.

– How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

We want to see an impact assessment of budget cuts, including the intended and likely unintended consequences, particularly where decisions are likely to increase demand on other parts of the health and social care system; reduce quality of service or increase inequalities. We know that taking funding away from vital third sector services in communities, or taking funding away from investment in these providers to develop their services in the future, will have long-term implications for pressures on the health service in the future. This should be accounted for when budgeting decisions are made and published.

– How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

– How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

– Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

– Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

– Is there enough infrastructure investment targeted at young people?

– How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

– 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?

It is clear that the Welsh Government understands the value of the third sector as it has a key delivery role in achieving many objectives set out in Welsh Government policy. For example, the recent development of the Social Prescribing framework has community-based and community-led services and activities at its heart. However, given the challenging economic and social conditions we are living in, we cannot assume that these services will have a constant supply. The Welsh Government must take a pro-active role in supporting, facilitating and nurturing communities and community-led enterprises or groups to start and grow. This can be done through continued investment in specialist support, accessible financing and investment in the networks and platforms

that facilitate collaboration, but also through changing practice and how money is spent across Government to prioritise social value, democratic ownership structures and sustainability.

– 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?

At the Senedd Cross Party Group for Co-operatives and Mutuals meeting in September 2023, t Sandy Clubb, Involvement Artist at the Office of the Future Generations Commissioner for Wales, outlined the ambitions and the principles of the Well-being of Future Generations Act and discussed how they aligned well with the social enterprise and co-operative models, including the Sustainable Development Principle to "act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs" and the seven national well-being goals.

The important enabling role social enterprise can play in the context of building a regenerative economy was highlighted, and we welcome the focus in the Future Generations Commissioner's newly launched strategy on the mission towards a Wellbeing Economy. The potential of the social business sector to support the implementation of this with the ambition to transform communities must not be overlooked.

In terms of how social enterprises and co-operatives could be supported to apply the Act to their strategy and operations, our 2022 mapping report measured awareness of the Well-being of Future Generations Act within the social business sector and found it appears to be significantly increasing. 82 percent of respondents said they were aware of the Well-being of Future Generations Act (2015), rising from 27 percent in 2018 and 73 percent in 2020. Equally, two thirds (66 percent) were aware of the Social Services and Well-being Act (2014), which is an increase from 54 percent in 2020. The report noted that this may have had an impact on the increase in businesses noting commitments towards health and well-being.

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 20: Ymateb gan: Grŵp Cyllideb Menywod Cymru (GCMC) a Rhwydwaith cydraddoldeb merched (RCM) (Saesneg yn unig) | Response from: Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) (English only)



Wales Women's Budget Group (WWBG) and Women's Equality Network (WEN) Wales joint submission to the Finance Committee:

Welsh Government Draft Budget proposals for 2024-25

November 2023

About the Wales Women's Budget Group (WWBG): WWBG is a registered charity, currently housed by the Women's Equality Network (WEN) Wales, which works with government and civil society in pursuit of a more prosperous and gender equal Wales. Bringing together leading economic thinkers, academics, policymakers and women's networks, the WWBG works to influence and inform public policy in order to promote a gender equal economy in Wales through the use of gender budgeting.

About the Women's Equality Network (WEN) Wales: Our vision is of a Wales free from gender discrimination where all women and men have equal authority and opportunity to shape society and their own lives. We work with our vibrant coalition of organisational and individual members to transform society. Our work sits under three pillars. We will Connect, Campaign and Champion women so our vision is realised.

Key Messages

1. Due to persistent gender inequality, women in Wales – particularly single mothers, disabled women, ethnic minority and racialised women – are being hit harder by the impacts of the cost of living crisis. While support measures such as hardship payments are welcome, the Welsh Government must do more to protect women and other vulnerable groups from falling further into debt and poverty. This is even more pressing in the context of discontinued energy and fuel support schemes in Wales.
2. Women are more likely to work in public services, to rely on public services and to become providers of last resort when services are cut. While we welcome the Welsh Government's continued support, we are concerned that current funding levels will not keep pace with rising cost pressures. The Welsh Government should therefore use all levers at its disposal to allocate more support to Wales' struggling public services, including childcare, social care, housing, and the local authorities that provide them.
3. We are pleased to see the ongoing work undertaken by the Budget Improvement and Impact Advisory Group (BIIAG) to improve the Strategic Integrated Impact Assessment (SIIA), which resulted in marked improvements to last year's SIIA. We hope to see further improvements and strengthening of the SIIA across a wider range of government policy decisions in this year's Budget Improvement Plan.
4. While we welcome the Welsh Government's continued piloting of gender budgeting and the publication of the Personal Learning Accounts (PLA) pilot evaluation, attention must now be given to developing plans to mainstream gender budgeting across the Welsh Government to support better policy making and resource allocation.
5. Support measures to address the cost of living crisis are helpful, but the Welsh Government must tackle gender inequality at its root to reduce the vulnerability of women in Wales to future crises. To do so, the full implementation of the Gender Equality Review, *Deeds Not Words*¹, should be expediated as a matter of urgency.

¹ Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic?

1.1 The Covid-19 pandemic and the current cost of living crisis have not impacted all households equally. Due to deep-rooted gender inequality, women in Wales bear a disproportionate share of caring responsibilities and dominate traditionally lower-paid employment sectors, such as health and social care. These patterns mean that women occupy an unequal position in Wales' economy and are more likely than men to be economically inactive or to be working in part-time, insecure and low-paid jobs.

1.1.1 In Wales, 37.4% of women work part-time, compared to 13.6% of men.²

1.1.2 27.4% of women in Wales are economically inactive compared to 21.5% of men. Of those women, 25.5% reported being out of work due to looking after the family/home compared to 8.6% of men.³

1.1.3 In Wales, 13% of jobs held by women are paid below the Real Living Wage, compared to 9.9% of men's.⁴

1.2 The situation is even starker for women who experience intersecting disadvantage and discrimination, for example, ethnic minority, racialised or disabled women, as well as single mothers.

1.2.1 In the UK, women of colour are twice as likely to be on zero-hour contracts than white men.⁵

1.2.2 30.2% of disabled women were being trapped in insecure work in 2022.⁶

1.2.3 In Wales, 38% of single parents – 86% of whom are women⁷ – are living in relative income poverty.⁸

1.3 These structural inequalities mean that women have less wealth overall and are thus more vulnerable to the economic impacts of successive crises. In the context of the Covid-19 pandemic and cost of living crisis, women in Wales – particularly those facing specific intersectional disadvantages - are being pushed into debt and poverty as costs rise.

1.3.1 In 2022, 42% of low paid women in Wales have reported falling behind on household bills, compared to 35% of low paid men.⁹

1.3.2 In 2023, 58% of female workers reported being financially worse off than a year ago, compared to 43% of men.¹⁰

1.3.3 As 'shock absorbers of poverty',¹¹ women feel the effects of rising food, energy, housing and other costs more acutely. This is particularly the case for single mothers, who rely on a single income and lack a co-parent to share childcare

² Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales* <https://oxfamapps.org/cymru/wp-content/uploads/2023/11/Little-Steps-Big-Struggles.pdf> [Accessed 22.11.23]

³ Ibid.

⁴ Living Wage Foundation (2022), *Employee Jobs Paid Below the Real Living Wage*

[https://www.livingwage.org.uk/sites/default/files/2022-](https://www.livingwage.org.uk/sites/default/files/2022-11/Employee%20jobs%20below%20the%20real%20Living%20Wage%202022_1.pdf)

[11/Employee%20jobs%20below%20the%20real%20Living%20Wage%202022_1.pdf](https://www.livingwage.org.uk/sites/default/files/2022-11/Employee%20jobs%20below%20the%20real%20Living%20Wage%202022_1.pdf) [Accessed 26.11.23].

⁵ Chwarae Teg (2023), *The gendered impacts of the cost-of-living crisis*

⁶ Ibid.

⁷ Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*

⁸ Welsh Government (2023), *Relative income poverty: April 2021 to March 2022*

<https://www.gov.wales/sites/default/files/pdf-versions/2023/3/4/1679567757/relative-income-povertyapril-2021-march-2022.pdf> [accessed 26.11.23].

⁹ Ibid.

¹⁰ Living Wage Foundation (2023), *Life on Low Pay as Inflation Begins to Ease*

[https://www.livingwage.org.uk/sites/default/files/2023-](https://www.livingwage.org.uk/sites/default/files/2023-09/Life%20on%20Low%20Pay%20as%20Inflation%20Begins%20to%20Ease.pdf)

[09/Life%20on%20Low%20Pay%20as%20Inflation%20Begins%20to%20Ease.pdf](https://www.livingwage.org.uk/sites/default/files/2023-09/Life%20on%20Low%20Pay%20as%20Inflation%20Begins%20to%20Ease.pdf) [Accessed 19.11.23]

¹¹ UK Women's Budget Group (2022), *The gendered impact of the cost-of-living crisis* <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf> [Accessed 28.11.23]

responsibilities with. In 2022, 23% of young women reported that they sometimes had to choose between food and heating, rising to 55% of single mothers and 33% of mothers with joint childcare responsibility.¹²

1.4 Cost of living support: The combination of continuing high costs alongside reduced governmental support and in-year spending changes is disproportionately impacting the most vulnerable households in Wales. In this context, we are concerned that government support measures such as hardship payments do not go far enough to protect women from falling deeper into debt and poverty.

1.4.1 The Welsh Government's continued funding of the *Discretionary Assistance Fund* (DAF) provides a vital lifeline to those on low incomes. The financial and in-kind support provided by the scheme can help to reduce pressure on women's incomes as the cost of essentials remains high. However, hardship payments are short-term measures and do little to address the underlying causes of the crisis and help households cope in the longer term. The fact that such payments are made at a household level risks undermining women's access to an independent income and particularly increases their vulnerability to financial abuse and financial dependency on an abuser.¹³

1.4.2 We welcome the Welsh Government's new *Help to Stay* scheme, which will support homeowners to meet their mortgage repayments as interest rates remain high. It is, however, another short-term fix and as an equity loan, could result in homeowners paying back more than they initially borrowed due to house price increases. We are also concerned at the lack of available support for private renters as rental costs continue to soar. Without governmental support, these costs will disproportionately impact low-income tenants, the majority of whom are women, pushing them further into debt and poverty.

1.4.3 Finally, in the context of winter weather and energy price rises in January 2024, the current lack of a government fuel support scheme is particularly problematic. The Welsh Government must expediate the roll out of its new *Warm Homes Programme* as a matter of urgency.

1.5 Public services: Rising inflation and energy costs have also put pressure on Wales' public services, endangering quality of provision and ability to meet demand. This is particularly problematic for women, who are more likely to work in public services, to rely on public services and to become providers of last resort when services are cut.¹⁴ Reductions or cuts to public service provision therefore represent a 'triple whammy',¹⁵ for women in the UK. We welcome the Welsh Government's continued commitment to protect Wales' frontline services but remain concerned that current levels of support will fail to keep pace with the cost pressures faced by providers.

1.5.1 **Local Government:** Local authorities provide many vital public services that women use and need, including childcare, social care and housing support. We welcome the Welsh Government's continued funding of the Revenue Support Grant (RSG) for local authorities and its protection from in-year spending cuts. However, current levels of funding are unlikely to help Welsh local authorities meet cost pressures and demand for services. As noted by Wales Fiscal Analysis, Wales' local authorities are facing a £354million shortfall in 2024-

¹² Young Women's Trust (2022), *Just Getting By: Young Women's Trust Annual Survey 2022*

¹³ Chwarae Teg (2019), *Trapped: Poverty amongst Women in Wales today*

¹⁴ UK Women's Budget Group (2022), *The gendered impact of the cost-of-living crisis on public services* <https://wbg.org.uk/wp-content/uploads/2022/11/Gendered-impact-of-cost-of-living-crisis-on-public-services-1.pdf> [Accessed 26.11.23]

¹⁵ Ibid.

2025, which will result in a significant reduction in public services.¹⁶ Due to a lack of consequential funding from Westminster, local authorities are likely to resort to rising regressive council tax rates to make up this shortfall. See further details on the regressive nature of council tax and its impact on women in our response to question 4 below.

1.5.1.1 In this context, we welcome the Welsh Government's continued funding of the Council Tax Reduction Scheme for lower income households and its ongoing work to reform the council tax system in Wales. However, the challenges outlined above make this work and additional investment in local authorities even more urgent.

1.5.2 **Health and social care:** Women in Wales make up 78.4% of all health and social care workers.¹⁷ We are therefore pleased to see the continuation of funding to ensure the payment of a Real Living Wage for all social care workers, the majority of whom are women. Serious issues remain, however, with the sector's employment conditions, and related problems around recruitment and retention. To solve these issues, the Welsh Government must tackle the prevalence of precarious zero-hour contracts, lack of job security and shortage of training and progression opportunities.

1.5.3 **Childcare:** A lack of affordable and accessible childcare remains a crucial barrier to women's workforce participation and a driving factor of gender inequality in Wales. In the current cost of living crisis, high childcare costs are compounding the financial pressures facing lower income households and pushing parents, particularly single mothers, further into debt and poverty.

1.5.3.1 While we welcome the continued rollout of funded provision to parents/carers of two-year-olds through *Flying Start*, the part-time and placed-based nature of the program limits eligibility significantly. For those ineligible, childcare costs remain high and prohibitive. For example, a recent study by Oxfam Cymru revealed that 70% of parents and guardians in Wales had no surplus income or savings left after allocating funds for childcare.¹⁸

1.5.3.2 The lack of funded provision for children under two years is also problematic, and inequitably impacts the most vulnerable households in Wales. As highlighted in a recent report by the Wales Women's Budget Group, lead carers of one and two-year-olds on Universal Credit in Wales – the vast majority of whom are women – will now be subject to sanction-backed conditionality requirements.¹⁹ However, claimants in Wales will not be entitled to the same level of government-funded childcare support as their counterparts in England will be under the roll-out announced for September 2025, to assist with meeting these requirements. This discrepancy will disproportionately impact single mothers in Wales, who will struggle to meet increased conditionality requirements without

¹⁶ Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales* https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-for-local.pdf [Accessed 22.11.23]

¹⁷ Chwarae Teg (2023), *State of the Nation 2023*

¹⁸ Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales* <https://oxfamapps.org/cymru/wp-content/uploads/2023/11/Little-Steps-Big-Struggles.pdf> [Accessed 28.11.23]

¹⁹ Wales Women's Budget Group (2023), *Far From a Vital Safety Net: Benefit Conditionality, Sanctions and Women in Wales* <https://wwbg.org.uk/wp-content/uploads/2023/08/Far-From-a-Vital-Safety-Net-Benefit-Conditionality-Sanctions-and-Women-in-Wales.pdf>

adequate support, resulting in punitive financial sanctions and depleted incomes.²⁰

1.6 Equalities mainstreaming and gender budgeting: To ensure a gender equal recovery from the pandemic and support women in the current, and future, crises, the Welsh Government must embed a robust intersectional gender analysis into its policy making and recovery planning.

1.6.1 In this context, we are pleased to see the ongoing work undertaken by government officials and other stakeholders through the Budget Improvement and Impact Advisory Group (BIAG) to improve the Strategic Integrated Impact Assessment (SIIA). While there is still work to be done to clearly link budgetary decisions to equalities data and analysis, last year's SIIA was a marked improvement on previous iterations. We hope to see further improvements to the SIIA as a result of this work in this year's Budget Improvement Plan.

1.6.2 We also welcome the Welsh Government's continued piloting of gender budgeting and were glad to see the publication of the Personal Learning Accounts (PLA) pilot evaluation earlier this year. However, while gender budgeting pilots provide valuable learnings, attention must now be given to developing plans to mainstream gender budgeting tools across the Welsh Government to support better policy making and resource allocation.

1.7 Welsh Government in-year spending changes: While their full impact is currently unknown, we are concerned that some of the Welsh Government's in-year spending changes announced in October may disproportionately impact women and other vulnerable groups in Wales.

1.7.1 As noted above, we welcome the Welsh Government's continued support for vital public services like the Welsh NHS and local authorities. We are, however, quite alarmed at announced cuts to its Social Justice Budget, which has been revised down by £7 million. Despite making up just 13% of the total Social Justice Budget, 60% (£4.2 million) of these savings will emanate from the Government's Equality, Inclusion and Human Rights budget.

1.7.2 While it remains unclear what particular programmes will be postponed or downgraded as part of this savings exercise, disproportionate cuts to an area of the budget which funds vital social justice initiatives and programmes is deeply concerning. The Welsh Government should therefore clarify the expected impacts of its in-year re-prioritisations without delay.

1.7.3 We are equally concerned about the adjusting down of the Welsh Government's childcare budget, due to lower-than-expected demand levels. As emphasised in Oxfam Cymru's most recent report, the need for affordable and accessible childcare remains a pressing issue in Wales.²¹ If demand is low, this suggests that the current childcare provisions are not accessible for parents and carers in Wales. Rather than cutting childcare funding, the Welsh Government should instead take steps to ensure funded childcare meets the needs of parents in Wales.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

2.1 Business support: Continuing high costs are impacting non-domestic properties in Wales, particularly smaller businesses that face a combination of rising stock, staff and

²⁰ Ibid.

²¹ Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*

energy costs. We are concerned that these pressures may result in higher costs being passed onto Welsh consumers. Due to their lower wealth and savings overall, women – particularly single mothers, disabled women, ethnic minority and racialised women – would be disproportionately impacted by these increasing costs.

2.1.1 In this context, the Welsh Government should maintain its support for businesses in Wales through the continuation of its non-domestic rates relief scheme and maintaining the current freeze in the non-domestic rates multiplier. The continuation of extra support for retail, leisure and hospitality sectors – which have a female-dominated workforce²² – is particularly important, as these sectors were hit hardest during the pandemic and are particularly exposed to inflationary pressures.

2.2 Public transport: As noted above, due to their unequal position in Wales' economy, women – particularly those who face additional intersectional disadvantage and discrimination – are more reliant on public services, including public transport. Women are more likely than men to use public transport to access employment, education and healthcare. We therefore welcome the Welsh Government's increased investment in Welsh public transport, and the recent uplift of £125 million to Transport for Wales.

2.2.1 However, as a cheaper form of transport, women and other low-income individuals are more likely to use bus, rather than rail, travel.²³ Since the pandemic, inflationary pressures and a lack of funding has resulted in cuts to Wales' bus services and networks,²⁴ a development that will disproportionately impact women and other vulnerable groups. To avoid further entrenching gender inequality and help grow the economy, the Welsh Government should invest long-term funding in Wales' bus services.

2.3 Women's employability: Tackling gender inequality can also help to boost Wales' productivity and economic performance. As noted by Chwarae Teg, £13.6 billion could be injected into the Welsh economy as a result of achieving gender equality within it.²⁵

2.3.1 A key issue impacting this inequality in Wales is the underrepresentation of women in its highest paid sectors – mining and quarrying, energy production and supply, and water supply, sewage and waste²⁶ - which are male dominated.²⁷ Conversely, women in Wales tend to be employed in lower-paid fields, such as the public sector where women account for 70% of employees.²⁸ To address these labour market disadvantages, the Welsh Government must prioritise the employability of women and implement targeted programmes of support to increase the representation of women in these sectors.

²² Chwarae Teg (2023), *State of the Nation 2023*

²³ IPPR (2022), *To support low-income households, it's time to reduce the cost of daily bus travel* <https://www.ippr.org/blog/time-to-reduce-the-cost-of-daily-bus-travel> [Accessed 28.11.23]

²⁴ BBC News, 'Bus: Wales could lose quarter of services, say operators,' 21.08.23 <https://www.bbc.co.uk/news/uk-wales-66543302>

²⁵ Chwarae Teg (2018), *The Economic Value of Gender Equality in Wales*

²⁶ Wales Fiscal Analysis (2023), *Labour Market Update for Wales* https://www.cardiff.ac.uk/data/assets/pdf_file/0007/2779882/20230920_Labour-Market_27oct.pdf [Accessed 26.11.23]

²⁷ Chwarae Teg (2023), *State of the Nation 2023*

²⁸ Ibid.

2.3.2 In this context, the removal of £17.5 million from Wales' apprenticeships programme and £5 million from React+,²⁹ is concerning. To redress this, the Welsh Government could use the consequential funding it will receive as a result of the UK Government's recent investment in English apprenticeships³⁰ to invest in employability programmes and interventions designed to meet the needs of women and girls in Wales. Establishing a targeted approach is particularly important in the absence of other programmes such as Chwarae Teg's *Agile Nation 2*, which had previously supported women into employment.

2.4 Investing in a care-led economy: The Welsh Government can reduce barriers to women's employment by investing in a care-led economy. As noted above, women are more likely to work in, rely on and become last resort providers of public services.³¹ In the context of a lack of consequential funding for public services in 2024-2025, it is even more important that the Welsh Government retains its support for these services and sectors.

2.5 Investing in the care sector can also help to grow the Welsh economy. By making care a key sector in our national economic strategy and investing in vital social infrastructure such as childcare, social care and health care, the Welsh Government will help more women to enter, remain and progress within the workplace. This, in turn, will expand Wales' productive capacity and boost its economic performance.

2.5.1 For example, a recent study by the UK Women's Budget Group found that investing in care would produce 2.7 times as many jobs as investing in the male-dominated construction sector, producing 6.3 times as many jobs for women and 10% more for men.³²

2.6 In Wales, investing in a care-led economy would address the high levels of unemployment and unfilled vacancies, the latter of which exceeds all other UK nations.³³ As highlighted by Wales Fiscal Analysis, most of these vacancies are within the health and social care sector, where 15% of jobs are vacant.³⁴ To address this, the Welsh Government should:

2.6.1 Use the consequential funding from the extended England Childcare Offer to expand the eligibility of Wales' Childcare Offer to parents of under two-year-olds. This would assist Welsh parents who are out of work as a result of unpaid caring responsibilities, of which women account for 90%.³⁵

2.6.2 Address the recruitment and retention issues within the social care sector by tackling its zero-hour contracts, lack of job security and shortage of training and progression opportunities.

2.6.3 Utilize the levers at its disposal to allocate additional funding to Wales' local authorities, which provide vital public services and face a funding shortfall of £354 million in 2024-2025.³⁶

²⁹ Welsh Government (2023), *Update on 2023-2024 financial position: summary of main changes* <https://www.gov.wales/sites/default/files/pdf-versions/2023/10/2/1697553179/update-on-2023-2024-financial-position-summary-of-main-changes.pdf> [Accessed 26.11.23]

³⁰ HM Treasury (2023), *Autumn Statement 2023*

³¹ UK Women's Budget Group (2022), *The gendered impact of the cost-of-living crisis on public services*

³² UK Women's Budget Group (2020) *A Care-Led Recovery from Coronavirus* <https://wbg.org.uk/wp-content/uploads/2020/06/Care-led-recovery-final.pdf> [Accessed 26.11.23]

³³ Wales Fiscal Analysis (2023), *Labour Market Update for Wales* https://www.cardiff.ac.uk/_data/assets/pdf_file/0007/2779882/20230920_Labour-Market_27oct.pdf [Accessed 26.11.23]

³⁴ Ibid.

³⁵ Ibid.

³⁶ Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*

2.7 Mainstreaming equality: To fully address the barriers that women face to employment and tackle gender inequality at its root, the Welsh Government must mainstream an intersectional equalities analysis into all its spending and policy decisions. The Gender Equality Review, *Deeds Not Words*³⁷ provides a clear, well-evidenced framework through which to do this. The Welsh Government should therefore expediate the full implementation of the review recommendations as a matter of urgency.

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

3.1 Inflation and cost of living pressures have disproportionately impacted women, particularly single mothers, disabled women, ethnic minority and racialised women, who are being pushed further into poverty as the cost of living crisis continues to bite. While we recognize the challenges of the Welsh Government's current financial position, it is vital that equality remains a core focus in policymaking and that the Government uses all of the tools at its disposal to support those most in need.

3.2 **Cost of living support:** While we welcome government cost of living support, as noted above, we are concerned that these measures do not go far enough to prevent low-income households falling deeper into debt and poverty as costs continue to rise. To truly support women during this challenging time, the Welsh Government should implement:

3.2.1 **A Welsh benefits system:** The Government should increase access to and uptake of Welsh hardship grants and allowances by subsuming them under a single framework or Welsh benefits system. By simplifying complex application processes and ensuring efficient administration, the Welsh Government can help ensure that low-income households are accessing the support they are entitled to.³⁸

3.2.2 **Rent control:** While the Government's new *Help to Stay* programme - which assists homeowners with mortgage repayments - is welcome, the Welsh Government must do more to support tenants within the private renting sector, where costs have increased exponentially.³⁹ Over a quarter of private renters in Wales were forced cut down on food or skipped meals to afford rent in 2023.⁴⁰ The Welsh Government should implement measures to stabilize or limit rental costs, accelerating progress towards the publication of a White Paper that will include proposals on fair rents.

3.2.3 **Fuel and energy support:** While inflation has fallen, energy prices remain high. As noted by the Bevan Foundation, energy costs in Wales are currently 50% higher than in 2021-2022⁴¹ and are set to rise even further in January 2024. However, previous energy bills and fuel support schemes in Wales have been discontinued. As winter approaches, the Welsh Government must expediate the implementation of its new *Warm Homes Programme* as a matter of urgency.

³⁷ Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*

³⁸ The Bevan Foundation (2023), *A common approach to Welsh benefits: Feasibility Study*

³⁹ The Bevan Foundation (2023), A snapshot of poverty in Winter 2023 <https://www.bevanfoundation.org/wp-content/uploads/2023/02/Snapshot-of-poverty-in-winter-2023.pdf> [Accessed 26.11.23]

⁴⁰ Ibid.

⁴¹ The Bevan Foundation (2023), Winter warning for Welsh heating bills <https://www.bevanfoundation.org/views/winter-warning-for-welsh-heating-bills/#:~:text=The%20months%20ahead%20are%20set,while%20electricity%20is%2027p%20kWh> [Accessed 26.11.23]

3.3 Public services: As noted above, women are more likely to work in public services, to rely on public services and to become providers of last resort when services are cut.⁴² The Welsh Government should therefore use all of its levers to allocate more support to Wales' struggling public services. This is even more pressing in the absence of additional investment at a UK Government level.⁴³

3.3.1 Local Government: With a projected funding shortfall of £354 million in 2024-2025,⁴⁴ local authorities in Wales are likely to become more reliant on revenue from regressive council taxes to meet cost pressures. As council tax is not based on income, it can have inequitable effects on low-earning tenants and homeowners. Rises in regressive council taxes are therefore likely to disproportionately impact single parents in Wales – 86% of whom are women⁴⁵ – who rely on a single income.

3.3.1.1 In addition to allocating more funding to Welsh local authorities, the Welsh Government should accelerate work to establish a more fair and progressive council tax system in Wales. Serious consideration should also be given to the use of more progressive sources of tax revenue, such as devolved income tax increases, or income tax reform to include more bands and flexibility as in Scotland. The Welsh Government should therefore continue to lobby the UK Government for further devolution over these powers.

3.3.2 Health and social care: To adequately support an aging Welsh population and reduce the economic vulnerability of a largely female workforce, the Welsh Government must address the recruitment and retention issues within Wales' social care sector. One way to do this is to implement an ethical care charter to ensure fair work opportunities and tackle the prevalence of zero-hour contracts and lack of development opportunities within the sector.

3.3.3 Childcare: In the context of the current cost of living crisis, high childcare costs are forcing women – particularly single parents – out of the workplace and further into poverty. The Welsh Government should help to redress this by allocating its consequential funding from the extended childcare provisions in England to improve access to childcare in Wales, either by widening the eligibility of the Childcare Offer to parents on the lowest incomes or through accelerating the rollout of the *Flying Start* programme and increasing the number of hours available.

3.4 Equalities mainstreaming and gender budgeting: To reduce the inequalities that have left women in Wales more vulnerable to the impacts of successive crises, the Welsh Government must take further action to address gender inequality at its root. By implementing the recommendation of the Gender Equality Review *Deeds Not Words*⁴⁶ in full, the Welsh Government can embed an intersectional equalities lens into all future spending decisions, and therefore avoid unintended inequitable impacts. While we welcome the actions taken so far, progress on fully implementing the recommendations remains regrettably slow.

3.4.1 Gender budgeting pilots: While we welcome the continued piloting of gender budgeting and the publication of the Personal Learning Accounts (PLA) pilot evaluation earlier this year, it remains unclear how the learnings will inform

⁴² UK Women's Budget Group (2022), *The gendered impact of the cost-of-living crisis on public services*

⁴³ HM Treasury (2023), *Autumn Statement 2023*

⁴⁴ Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*

⁴⁵ Oxfam Cymru (2023), *Little steps, big struggles: Childcare in Wales*

⁴⁶ Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*

further pilots and wider policy making. We are also still awaiting the full evaluations from the Welsh Government's other ongoing gender budgeting pilots – Young Persons Guarantee (YPG) and E-Move – and are keen to learn more about the specific gender budgeting tools that have been used, the pilot aims and timescales as well as how success will be evaluated. To ensure these pilots are successful and constructive, this information must be clarified without delay. Furthermore, while pilots provide valuable learnings, attention now needs to be given to developing plans to mainstream gender budgeting tools across the Welsh Government, supporting better policy making and resource allocation across the board.

- 3.4.2 **Assessing impact:** The work of the Budget Improvement and Impact Advisory Group (BIAG) resulted in the publication of a much-improved Strategic Integrated Impact Assessment (SIIA) alongside last year's Draft Budget. However, more work needs to be done to clearly demonstrate how equalities data and analysis are shaping budgetary decisions across a wider range of government policy decisions. We hope that this important work will continue with fervor in the 2024-2025 Welsh budgetary cycle and will result in further marked improvements in this year's SIIA and Budget Improvement Plan.

4. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

4.1 We recognize the tight fiscal constraints placed on the Welsh Government as a result of its current fiscal framework, consisting of a block grant determined by England departmental spending changes, inflexible tax powers and limited borrowing powers.

4.2 This lack of flexibility was highlighted by this year's in-year spending changes, in which Cabinet ministers were asked to mitigate budgetary pressures through spending cuts and reprioritizations, emphasizing the limited tools at the Welsh Government's disposal to manage its budget from year to year. As noted in a recent report by the Institute of Welsh Affairs (IWA), this 'lack of fiscal firepower,'⁴⁷ constrains the Welsh Government's policymaking abilities in devolved areas such as health, economy, housing and transport. As outlined above, these policy areas are key to tackle the cost of living crisis and its impact on women.

4.3 **Taxation:** Notwithstanding a small number of devolved taxes – Council Tax, non-domestic rates, land transaction tax and landfill disposals tax – Wales' tax powers are limited.

4.3.1 **Council tax:** We welcome the recent work being undertaken by the Welsh Government to reform Welsh council tax and establish a more progressive system. The projected shortfall of £354 million for Welsh local authorities in 2024-25⁴⁸, and the expected increases in council tax, makes progress towards a fairer council tax system a matter of urgency.

4.3.2 **Income tax:** Unlike in Scotland, the Welsh Government cannot adjust income tax bands (which are formulated on a UK basis) or create new ones. Instead, under Welsh rates of income tax, the Welsh Government can amend the top 10p paid by Welsh taxpayers in every £1 of income in each tax band (Basic, Higher, Additional). As noted by Wales Fiscal Analysis, current income tax thresholds are not suitable to income levels in Wales, where 93% of taxpayers

⁴⁷ Institute of Welsh Affairs (2022), *Fiscal Firepower: Effective Policy-Making in Wales*
https://www.iwa.wales/wp-content/media/IWA_-_Fiscal-Firepower-and-Effective-Policy-Making.pdf [Accessed 28.11.23]

⁴⁸ Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*

pay the basic rate.⁴⁹ The Welsh Government must continue to make the case for further devolution of taxation powers to Wales, to allow more flexibility and to respond to the needs of Welsh taxpayers.

4.4 Borrowing: Under the current fiscal framework, the Welsh Government has a borrowing cap of £1 billion from the National Loans Fund, the cheapest form of borrowing available to it.

4.4.1 As noted by the IWA, this arrangement 'embeds expensive borrowing and essentially bans cheaper forms of borrowing above a certain level,⁵⁰ and locks Wales into lower levels of development than other parts of the UK.

4.4.2 To address this, we echo the recommendations of the IWA Fiscal Firepower report, which calls on the Welsh Government to continue to call and explore the case for the devolution of prudential borrowing powers.⁵¹

5. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Is enough being done to tackle the rising cost of living and support those living in relative income poverty?

5.1 As noted throughout this response, structural inequalities mean that women in Wales are more likely to be living in relative income poverty as the cost of living crisis continues to bite. While government support measures such as hardship payments are welcome, we are concerned that they do not go far enough to adequately support women and other vulnerable groups during this challenging time. To do so, the Welsh Government should implement the cost of living support and public services recommendations detailed in our response to Question 3 above. In the longer term, it is vital that action is taken to address the root causes of gender inequality in Wales by implementing the recommendations of the Gender Equality Review⁵² in full. See section 5.7 below for more detail.

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

5.2 **Healthcare:** As discussed above, women in Wales are more likely to rely on and work in public services. This is particularly the case in Wales' health and social care sector, within which women account for over 78% of workers.⁵³ The social care sector in particular is undervalued and understaffed with lower wages and widespread precarious work and conditions. Due to their dominance in the sector, this further entrenches the unequal economic position of women, pushing them further into debt and poverty as costs rise.

5.2.1 While we welcome the Welsh Government's continued investment in health and social care, more must be done to address the precariousness of work and the 15% of unfilled vacancies that persist within the sector.⁵⁴ A possible solution to this is the implementation of an ethical care charter to ensure fair work

⁴⁹ Ibid.

⁵⁰ Institute of Welsh Affairs (2023), *Fiscal Firepower: Effective Policy-Making in Wales*

⁵¹ Ibid.

⁵² Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*

⁵³ Chwarae Teg (2023), *State of the Nation 2023*

⁵⁴ Wales Fiscal Analysis (2023), *Labour Market Update for Wales*

opportunities and reduce the prevalence of zero-hour contracts and lack of development opportunities within the sector.

5.3 Health inequalities: In addition to economic inequality, women also experience health inequality in Wales. As noted by Senedd Research, women in Wales experience poorer health outcomes in many healthcare areas including rates of diseases such as cancer and diabetes, and mental health diagnoses.⁵⁵ Thus, while women in Wales have a longer life expectancy than men, they are spending less of their life in good health, with the UK having the largest gender health gap out of all G20 countries.⁵⁶

5.3.1 This situation is even starker for women who experience intersecting discrimination. For example, Black women in the UK are almost four times more likely to die in childbirth than white women, with significant disparities for women from Asian or mixed ethnic backgrounds.⁵⁷ Furthermore, during the pandemic, disabled women in the UK were up to 3.5 times more likely to die from a Covid-related cause than non-disabled women.⁵⁸

5.3.2 To address this gender health gap, the Welsh Government must urgently progress work on its Women's Health Plan to address areas of unmet need and to ensure equal and timely access to healthcare services for women. The Welsh Government should also invest in high-quality research so that more is learnt about women-only conditions such as endometriosis and polycystic ovary syndrome, and to identify and study gender differences in diseases.

5.4 Employment and skills: Due to deep-rooted gender inequality, women in Wales are more likely to be working in part-time, insecure and low-paid jobs. To address these inequalities and allow women to achieve their economic potential, the Welsh Government must reduce the barriers that women face to entering, progressing and remaining in the workplace.

5.4.1 **Childcare:** The lack of affordable, accessible and flexible childcare provision continues to exert significant influence over women's paid work, often shaping whether they are in work, the hours they work and the opportunities they have for progression. The Welsh Government should help alleviate these barriers by allocating the consequential funding from the extended England Childcare Offer to expand funded childcare provisions to lowest income families.

5.4.2 **Underrepresentation:** Another key factor in women's economic inequality in Wales is their underrepresentation in highest paid sectors such as mining and quarrying, energy production and supply, and water supply, sewage and waste.⁵⁹ As noted by Chwarae Teg (2023), these sectors are male dominated.⁶⁰

5.4.2.1 To address these labour market disadvantages, the Welsh Government should use consequential funding from apprenticeships funding to invest in employability programmes and interventions designed to meet the

⁵⁵ Senedd Research (2022), *Hormonal, emotional and irrational: Is it really the case that women's health is taken less seriously than men's?* <https://research.senedd.wales/research-articles/hormonal-emotional-and-irrational-is-it-really-the-case-that-women-s-health-is-taken-less-seriously-than-men-s/> [Accessed 26.11.23]

⁵⁶ Ibid.

⁵⁷ UK Women and Equalities Committee (2023) *Black maternal health* <https://committees.parliament.uk/publications/38989/documents/191706/default/> [Accessed 26.11.23]

⁵⁸ ONS (2021), *Updated estimates of coronavirus (COVID-19) related deaths by disability status, England: 24 January to 20 November 2020*

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/coronaviruscovid19relateddeathsbydisabilitystatusenglandandwales/24januaryto20november2020> [Accessed 26.11.23]

⁵⁹ Wales Fiscal Analysis (2023), *Labour Market Update for Wales*

⁶⁰ Chwarae Teg (2023), *State of the Nation 2023*

needs of women and girls in Wales and increase their representation in high-earning sectors.

5.5 Investing in a care-led economy: The Welsh Government can also reduce gender inequality in employment by improving the pay and conditions in the sectors that women dominate. In addition to investing in the childcare sector, the Welsh Government should:

5.5.1 Address the recruitment and retention issues within the social care sector by tackling its zero-hour contracts, lack of job security and shortage of training and progression opportunities.

5.5.2 Utilize the levers at its disposal to allocate additional funding to Wales' local authorities, which provide vital public services and face a funding shortfall of £354 million in 2024-2025.⁶¹

5.6 Equalities mainstreaming and gender budgeting: As outlined in section 5.7 below, to tackle structural inequality the Welsh Government must embed a robust intersectional gender analysis into all policy making and spending decisions. To do so, the implementation of the Gender Equality Review, *Deeds Not Words*⁶² recommendations must be expediated as a matter of urgency.

How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

How is evidence and data driving priority setting and budget allocations, and is this approach sufficiently clear?

5.7 For brevity, the above questions have been grouped together. Alleviating gender inequalities in Wales requires embedding a robust intersectional equalities analysis in all spending and policy decisions and clearly demonstrating how those decisions are informed by their impacts on gender and other groups. By doing so, the Welsh Government can avoid unintended consequences that exacerbate inequality and tackle gender inequality at its root. As noted throughout our response, the recommendations of the Gender Equality Review⁶³ provide a clear, well-evidenced framework through which to do this, but are not yet fully implemented by the Welsh Government.

5.7.1 **Gender budgeting:** While we welcome the Welsh Government's continued piloting of gender budgeting, attention now needs to be given to developing plans to mainstream gender budgeting tools across the Welsh Government, supporting better policy making and resource allocation.

5.7.2 **Mainstreaming equality and impact analysis:** We also welcome the ongoing work undertaken by government officials and other stakeholders through BIAG to strengthen the SIIA and provide a clearer rationale and evidence base for Welsh Government budgetary decisions. As noted previously, this important work resulted in marked improvements to last year's SIIA, including for example, a clearer purpose, stronger linking between evidence, trends and budgetary decisions and the use of detailed case studies demonstrating how complex issues informed spending decisions. Issues remain, however, with regards to the detail and scope of these analyses. The 2024-2025 SIIA could therefore be improved by demonstrating how equalities data and analysis are shaping budgetary allocations across a wider range of government policy

⁶¹ Wales Fiscal Analysis (2023), *The medium-term fiscal outlook for local government in Wales*

⁶² Chwarae Teg (2019), *Deeds Not Words, Review of Gender Equality in Wales*

⁶³ Ibid.

decisions. We hope to see further changes and a detailed plan for further strengthening of the SIIA in this year's Budget Improvement Plan.

5.8 To conduct intersectional equalities and impact assessments, full use of equalities evidence and disaggregated data is critical. Challenges persist in Wales however, with regards to the collection and reporting of data. Specifically, the lack of available disaggregated data – for example by region, gender and other intersectional characteristics - makes it difficult to adequately understand the impact of policy and spending decisions on different groups.

5.8.1 Thus, while we welcome the establishment of the Equality, Race and Disability Evidence Units, these units must retain a key focus on gender and intersectional equalities, so that this data is available and disaggregated as a matter of routine. The Welsh Government must then ensure that this data is used effectively to demonstrate impact and inform policymaking.

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 pandemic sufficient?

5.9 Post-EU funding challenges and prevailing financial pressures have had a profound impact on third sector organisations throughout the UK, particularly those within the women's sector. As noted in a recent report by Rosa⁶⁴ only 1.8% of the £4.1 billion grants awarded to UK charities in 2021 went to women and girls focused activity, with one third of these grants awarded to organisations with no specific focus on women and girls. These issues are amplified within the Welsh women's sector, where organisations face additional obstacles when seeking to address and diversify their funding due to a lack of understanding of devolution amongst grant-making bodies. These unique financial pressures are evidenced by the sad closure of Chwarae Teg, Wales' leading gender equality charity, in October of this year. For 30 years, Chwarae Teg played a pivotal role in research, policy development and campaigning on fiscal matters, including budgetary scrutiny, in Wales. The loss of the organisation and the expertise of its – predominantly female – workforce leaves a significant and concerning gap within the Welsh women's sector. Organizational closures such as Chwarae Teg's represent a worrying trend of capacity loss within Wales' third sector, which plays an indispensable role in scrutinizing policies and advocating for the most disadvantaged in our society. To prevent further loss of vital expertise and to support women and other vulnerable groups in Wales, the Welsh Government must take urgent action to protect the sustainability of a rapidly contracting Welsh women's sector, through adequate funding and increased support.

For more information please contact:

Hannah Griffiths

Wales Women's Budget Group Coordinator
and Policy Assistant



Dr Jessica Laimann

Women's Equality Network (WEN) Wales,
Policy and Public Affairs Manager



⁶⁴ Rosa (2023), *Mapping the UK Women and Girls Sector and its Funding: Where Does the Money Go?*
<https://rosauk.org/wp-content/uploads/2023/04/Women-and-Girls-Sector-Research-Mapping-Report-Amended.pdf> [Accessed 29.11.23]

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 21: Ymateb gan: Sefydliad Cynllunio Trefol Brenhinol (SCTB) (Saesneg yn unig) | Response from: Royal Town Planning Institute (RTPI) (English only)





RTPI Cymru

Royal Town Planning Institute
Sefydliad Cynllunio Trefol Brenhinol

Royal Town Planning Institute
Cymru (RTPI Cymru)
Studio 107
Creative Quarter
8a Morgan Arcade
Cardiff
CF10 1AF

email walespolicy@rtpi.org.uk
www.rtpi.org.uk/wales

30 November 2023

e-mail response sent to: SeneddFinance@senedd.wales

Dear Sir/Madam,

Response to: Welsh Government Draft Budget 2024 - 2025

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 27,000 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 comment on the Welsh Government Draft Budget for 2024-2025. Our planning related comments are set out below in response to some of the consultation questions.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Addressing the climate and ecological crisis will require joined-up working across sectors, along with funding to support delivery of policy on the ground. Adequately resourced, collaborative working will be the key to involving a wide range of stakeholders. How this collaboration can be properly encouraged, funded and structured is an important discussion.

In relation to skills, while there are new technologies and net zero skills that require supporting, there is also an issue with retaining and maintaining existing skills and

specialisms. This is particularly the case in planning and the wider public sector which supports the planning system. Sufficient resourcing of public bodies, including the Planning Directorate of the Welsh Government, and investment in key skills and specialisms are all important aspects of meeting targets. In response to RTPI Cymru's Big Conversation, respondents noted the inability of planning and its supporting functions to "source and retain staff", notably planning, biodiversity and drainage. This is having a significant impact on the planning system and the delivery of quality development.

While we recognise it is important to forward plan for new skills and technology, but we must ensure that we resource existing skills, aiming for high standards to address the climate and ecological crises and net zero progression.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

For the planning system in Wales to fulfil its statutory duties and deliver quality placemaking there is a critical need for more investment. Local Planning Authority (LPA) departments are significantly underfunded, and planning services in particular are suffering due to budget cuts.

In 2019, Audit Wales published a report on a national review of the planning system in Wales. Overall, the review highlighted a planning system that was struggling to deliver against the ambitions of the Planning (Wales) Act 2015, to implement national policy, and unlock the value planning has to offer.

Planning services in Wales have seen drastic budget cuts over the last decade, leading to the stretching of planning officer capacity and a decrease in skills in key areas, as found by the Audit Wales Report (2019). Problems have been further exacerbated by a drop in the number of trainees entering the profession in the public sector. RTPI Cymru's Big Conversation found high levels of planners being overstretched in their work with this having a significant impact on well-being. The Big Conversation survey found:

- 61% of all respondents reported being overstretched at least several times a week;
- 74% of LPA officers felt overstretched;
- 21% of all respondents felt they were overstretched all of the time.

RTPI Cymru believes that efforts to deliver a more efficient and effective service should focus on long term adequate resourcing, capacity, skills and workforce development. RTPI Cymru is asking Welsh Government to support the introduction of a Town Planning Apprenticeship scheme as a means to encourage more into the planning profession. We would also suggest for example, that developing project management skills could be an

effective means of ensuring that applications are processed to a high standard in a timely fashion.

RTPI Cymru have recently published a new report, titled Building Capacity through Collaboration and Change. The project looks at making the most efficient and effective use of existing planning resources in Wales', exploring if and how public sector planning organisations are being driven to innovate and examine their efforts to make more efficient use of existing resources. The scope of the project extends to the statutory planning system, including development management, development plan preparation, and planning support and administration. The primary focus is on LPAs, yet any innovation or actions to drive efficiency in other public sector organisations is also in scope. This work builds on RTPI Cymru's work around the Big Conversation.

While the evidence gathering of this project continues with an online survey [RTPI | Building Capacity through Collaboration and Change](#) The initial report found that, with fewer resources, growing expectations, and reduced capacity, local planning authorities alone cannot respond to the demand placed on them. We found that, while there were measures that they could take that wouldn't take from existing resources, these were limited, and most would require further investment into the planning system."

The report calls for further exploration on the establishment of a planning improvement service for Wales with the aim of sharing good practice, enhancing the efficiency and effectiveness of the planning system, and brokering common approaches and shared services. A key issue raised by stakeholders in this project has been the absence of a strategic organisation to promote improvement in planning services in Wales. There are various models that could inform this work, including the Planning Advisory Service in England and the Planning Improvement Service in Scotland, including the most recent initiative appointing a planning improvement 'champion'.

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

No. See answer to 7.1 above

Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

No. See answer to 7.1 above

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 Well being of Future Generations Act?

While Wales benefits from a strong legislative and evidence based policy framework, the delivery and implementation of this into outcomes and impact on the ground has been slow to be realised.

Adequately resourcing and supporting the planning system for the longer term would help to ensure that legislation and policy, including the Well-being of Future Generation (Wales) Act 2015 along with the ambitions of the Active Travel (Wales) Act 2013, the Environment (Wales) Act 2015 and Planning (Wales) Act 2015 is implemented as planned, and its delivery on the ground is not compromised.

A fundamental need is the adequate resourcing of the Welsh Government's own Planning Directorate to enable it to support LPAs, and ensure the policy aspirations of Welsh Government are understood and implemented.

If you require further assistance, please contact RTPI Cymru on [REDACTED] or e-mail Roisin Willmott at walespolicy@rtpi.org.uk

Yours sincerely,



Dr Roisin Willmott OBE FRTPI
Director

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 22: Ymateb gan: Prifysgolion Cymru (Saesneg yn unig) | Response from: Universities Wales (English only)



Universities Wales response to the Finance Committee of the Senedd's call for information on Welsh Government Draft budget proposals for 2024/25

About Universities Wales

Universities Wales represents the interests of universities in Wales. Our 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

- We are at a critical juncture where the cost pressures faced by universities, coupled with the current position of public finances, present real risks to our ability as a nation to provide higher education opportunities and deliver the research and innovation that Wales needs for future prosperity. (Q2)
- Recent analysis indicates that the maximum fee limit no longer meets the full costs of delivery in any subject area. Similarly, research typically only recovers around two thirds of its costs, relying heavily on cross subsidy from other sources. At the same time, university expenditure is increasing faster than income. Welsh universities also hold high levels of borrowing. In 2021-22, external borrowing amounted to 49% of income in Wales compared to 34% for the rest of the UK. (Q2)
- This year has seen fewer 18 year olds in Wales opt to enter higher education, increasing the existing gap in participation between Wales and the UK¹² We face the unfortunate reality that there will now likely be cohorts of young people less well qualified than their immediate predecessors, putting people in Wales at a significant disadvantage. This is against a backdrop of an increased need for higher education provision to cater for projected population growth and a major increase in demand for graduate skills (Q2).
- At the same time international recruitment, crucial to the sustainability of universities given the subsidy required to deliver teaching and research, is

¹ This primarily relates to England and Northern Ireland as figures are not directly comparable with Scotland.

² UCAS 2023: <https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/statistical-releases-daily-clearing-analysis-2023>

becoming more uncertain with the UK facing increased competition from other markets, and in the light of changes to immigration policy at UK level. (Q2)

- Our universities directly and indirectly support a range of public services, including through direct investment of resource (Q1). As well as leading the UK in terms of the impact of research and innovation, Welsh universities also support public services by:
 - Training public sector staff including teachers, nurses and doctors
 - Providing poverty reduction programmes
 - Providing access to free advice and services including law clinics
 - Providing facilities to communities including sporting facilities and nurseries
 - Providing arts and community centres, parks and botanic gardens.
- In this challenging financial position, Welsh universities are actively exploring ways to improve financial sustainability including reviewing business models and delivery. However, the impact of inflation and the pressures we currently face mean these efforts will not address short-term challenges. (Q2)
- In addition, more investment is needed to better support and scale up the research and development base in Wales to help prevent a cycle of low-skill, low-wage and low productivity in Wales, and ensure Wales can secure a proportionate share of UK government investment. (Q2)
- Recognising the severe financial constraints for this year's budget, we would urge the Welsh Government to consider the following key opportunities for investment in higher education for the 2024/25 budget (Q7 – key opportunities):
 - Continue to work closely with the sector to address the fundamental funding challenges facing universities, in light of a severe real-term reduction in income and the impact of significantly rising costs of provision. It is essential that changes are made as soon as possible to ensure higher education can operate on a sustainable basis and deliver the higher education that Wales needs for future prosperity.
 - Maintain core funding for higher education for 2024/25 with a view to increasing it in line with the Diamond Review recommendations in future budget rounds, seeking in particular to provide greater core funding for research and innovation and to address the impact of increasing losses made from providing fee-regulated courses. This includes consideration of the breadth of support for modes of delivery including part-time.
 - Explore options to enable universities to transform their activities where this could prevent greater costs down the line and improve sustainability, for instance, 'invest to save' funding or finance.

- Explore ways in which universities can be supported to maintain the talent and infrastructure currently being lost or at risk of being lost as a lack of replacement for EU funding sources.
- Provide support for Teachers Pension Scheme (TPS) increases in higher education, in line with support provided for FE and other organisations facing significant TPS cost increases. Explore options for bridging funding to help with the immediate impacts of energy, pensions and cost of living.
- Consider the unit of resource available for teaching, including part-time, giving the emerging difference between the cost of provision and price.

Q1: Impact of the Welsh Government's 2023-24 Budget

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

1. Investment in higher education is a highly effective and important means of supporting economic recovery and promoting well-being in Wales. In 2023-24, universities continued to provide world-class higher education that addresses skills needs in Wales, ground-breaking research and innovation with a real-world impact, and a wide range of activities undertaken as part of civic mission that help to reduce expenditure in other essential services and for the wider public benefit.
2. The total allocation that HEFCW received for higher education in its Remit Letters was £215m for FY 2023/24.³ This included an increase in funding for Degree Apprenticeships (increased by +3.9m to £8.9m) to enable to further expansion to meet some of the unmet demand and potential for growth in Wales, and an increase mental health funding (+2.0m to £4.3m). Funding was also specifically ring-fenced to provide postgraduate bursaries (£4m), and £10m capital funding to provide much needed support for estates and infrastructure.
3. The core revenue funding for higher education for FY 2023/24 was lower than the previous year (£205.4m for 2023/24 compared to £207.9m for 2022/23). Given the continued rapid rise in costs in 2023/24, this meant it was an increased challenge to provide core higher education, research and innovation.

³ 2023-24 Remit Letter, 5 July 2023, [here](#).

4. Although Welsh Government investment forms a relatively small part of universities' overall income,⁴ it has a significant impact on university surplus or deficit levels and is critical in enabling universities to secure their other streams. For example, without QR funding it would not be possible for universities to draw down the level of UKRI funds that they do as those funds are only intended to cover only 80% of the full economic cost of UKRI funded projects. Without core funding, a wide range of additional income secured through research, innovation, teaching in expensive and high cost subjects and more would not be possible.
5. Universities continue to work to tackle the profound and wide-ranging challenges currently faced in Wales, including cost of living crisis in the aftermath of the pandemic, the need for additional support for student well-being, the need to address climate change, demographic shifts and structural changes in the workplace and labour market.
6. For instance, in 2023/24 this helped universities to continue to deliver the skills that the economy needs, and boost individuals' employment prospects, equipping more than 40,000 graduates for the workforce.⁵

Delivering skills and boosting employment

By the end of 2023/24 we estimate that the investment in universities will have enabled, for instance:⁶

- More than 40,000 students to graduate from universities in Wales, around 53% with a first degree and 35% with a postgraduate degree. Around 96% of these will be expected to be in work or further study within 15 months of graduating, with a starting salary most frequently in the range from £24,000 to £27,000 per annum.
- Welsh universities to supply around 72% of the new UK graduate workforce in Wales. They will also have helped to keep the graduate skills in Wales: Welsh-domiciled graduates from Welsh universities are much more likely to be employed in Wales (87%) than if they had graduated from a provider in another UK country (43%).
- Welsh universities will have equipped the next generation of the UK's professional workforce with essential knowledge and skills they need to enter practice including, for instance: over 5,000 graduates in medicine, dentistry, nursing and other healthcare subjects; over 1000 graduates with a first degree in law and a further 700 with a postgraduate qualification; over 2,600 graduates in engineering and technology; around 375 graduates qualified in social work; around 800 graduates qualified in

⁴ For instance, in 2021/22, HEFCW's direct allocations to universities totalled £171.3m (see HEFCW W22/27HE, Table 6) which comprised 9.1% of their total income of £1.877bn (HESA Finance record, opendata, 2021/22).

⁵ Based on HESA 2020/21 graduate outcomes data, published May 2023, see [here](#).

⁶ Ibid.

architecture, building and planning; 700 accounting graduates; and around 1800 graduates will have completed teacher training.

- Welsh universities will have supplied and equipped the next generation of researchers and innovators needed to tackle the foremost challenges that Wales faces today - with over 4,300 postgraduate researchers enrolled in Welsh universities. This will include, for instance, Welsh graduates who have pursued specialisms in an increasing range of diverse fields such as ecology and environmental biology, biosciences, and artificial intelligence.
- Graduates continue to expand their skills once they have left university. Around 20% of Welsh graduates go on to undertake more study within 15 months of leaving - most frequently in or alongside employment.
- Welsh universities will have delivered more than 315,000 learner days of continuing professional development (CPD) and continuing education (CE) courses.⁷

7. Welsh universities' research and innovation continued to deliver a real-world impact, rooted in Wales but with an international importance and reach.

Research and innovation with a real impact for Wales

According to the REF2021, the quality of the research that Welsh universities deliver is not only world-class but world-leading in terms of its real-life impact.

In the most recent UK wide assessment exercise ('REF 2021'), 89% of Welsh research was considered internationally excellent or world leading in terms of 'impact'⁸, measured in terms of its 'benefit to the economy, society, culture, public policy or services, health, the environment or quality of life, beyond academia'.

Recent analysis of the research submitted for the 2021 assessment concluded that Welsh universities are actively reshaping every part of society for the better. A key finding was that 'Impact in Wales' is the predominant outcome of Welsh research: 70% of the identified impact had an impact in Wales. Rooted in Wales, the benefits of research being undertaken at Welsh universities are felt worldwide. Welsh universities benefitted in particular 25 different types of groups of people and organisations, highlighting in particular children and young people, policy-makers and local communities, the elderly, women and people with disabilities.⁹

⁷ Based on HESA, HE Business and Community Interaction data 2021/22, Open data [here](#).

⁸ REF2021, Results and submissions data, published 12 May 2022, [here](#)

⁹ The Learned Society of Wales, Making an Impact, A Celebration of Welsh Research, 9 Nov 2023 ([here](#))

Some of the characteristics of the research submitted by Welsh universities included, for instance: ¹⁰

- 94% of the Welsh university case studies involved collaboration with non-academic partners including public sector bodies, national and local government, and industrial partners in particular.
- Over half of the research reported informed policy or governance, and 42% had an economic impact.

For a wealth of specific examples which have had a real impact on Wales see the showcase REF case studies in its '[Research impact](#)' section of the Universities Wales website, including:

- How mathematical modelling saved lives during the COVID-19 pandemic. A mathematical model developed at Swansea University helped to save lives and support the NHS in Wales during the height of the Covid-19 pandemic. [here](#)
- Understanding the implications of emotional artificial intelligence. Bangor University's research on 'Emotional Artificial Intelligence' (eAI) has influenced the design and ethical application of emergent artificial intelligence technologies across the globe. [here](#)
- Boosting the Welsh food and drink industry. A partnership project between academics at Cardiff Metropolitan University and the Welsh food and drink industry has supported SMEs to develop their food science, technical and food safety skills, resulting in new jobs, new markets and a £103m increase in sales. [here](#)
- Detecting the DNA of cyberattacks. A collaboration between Professor Pete Burnap, Cardiff University, and Airbus has led to a completely novel way of detecting and preventing malicious software. [here](#)
- Towards a million Welsh speakers? Informing language policy in Wales. Research by Aberystwyth University on the revitalisation of regional or minority languages has played a key role in informing and influencing Welsh Government policy on the promotion of the Welsh language. [here](#)
- Making the Welsh language more accessible. Researchers at Bangor University have developed a range of online resources, including the software package Cysgliad with the Cysill Welsh-language grammar and spelling checker as well as the Cysgeir collection of dictionaries. which have helped to transform the use of Welsh in digital environments, promoting Welsh as a modern, forward-looking language. [here](#)
- Improving language provision for forced migrants in Wales. Research at the University of South Wales has helped to improve access to English language education for forced migrants in south Wales and informed government policy on ESOL (English for Speakers of Other Languages). [here](#)

¹⁰ The Learned Society of Wales, The Impacts of Research from Welsh Universities, 9 Nov 2023 ([here](#))

See Question 1 for examples relating to health and Question 4 for examples relating to building a greener economy and tackling climate change.

8. Investment in universities also continued to help to reduce the need for expenditure in other essential services, providing infrastructure, education and services underpinning the delivery of our public services in Wales. In addition to this, universities often invest their own resources that directly benefits the public sector and provides the public sector with savings: this includes costs associated with the delivery of medicine, dentistry and nursing places, provision of facilities, and support for the training and development of teachers.

Reducing costs and underpinning the delivery of public services in Wales

Investment in universities helps to reduce the need for expenditure in other essential services.

Our universities directly and indirectly support a range of public services, including through direct investment of resource. As well as leading the UK in terms of the impact of research and innovation, Welsh universities also support public services by:

- Training public sector staff including teachers, nurses and doctors
- Providing poverty reduction programmes
- Providing access to free advice and services including law clinics
- Providing facilities to communities including sporting facilities and nurseries
- Providing arts and community centres, parks and botanic gardens

More broadly, higher education has been linked with better general health and life expectancy, and better mental health – reducing pressures on the health budget.¹¹ University research also makes a very considerable contribution to this area, identifying better and more effective solutions and promoting earlier detection of health problems. Recent examples of world-class research led by Welsh universities, for instance, include:

- Using the arts to improve health and wellbeing. A Wrexham University project exploring the impact of art on people’s health has helped to inform social care policies, change working practices for arts and health practitioners, and positively impact people’s health and wellbeing. [here](#)
- Developing new technology to diagnose and treat rare diseases. New technology developed by researchers at Swansea University has improved

¹¹ See for instance, BIS Research Paper No. 146 ([here](#)), October 2013.

the diagnosis and treatment of rare diseases, opening up new approaches to patient management for health care professionals worldwide. [here](#)

- Improving the lives of people at risk of alcohol-related brain damage. Research by the University of South Wales into alcohol-related brain damage has helped to improve awareness, understanding and treatment of the condition. [here](#)
- Improving quality of life for people with advanced dementia. An innovative new product by design researchers at Cardiff Metropolitan University has been proven to enhance the quality of life for people living with advanced dementia. [here](#)
- Establishing new worldwide standards of care for prostate cancer patients. Cardiff University researchers played leading roles in major clinical trials, which improved the treatment of prostate cancer and influenced the way oncologists monitor their patients and use surgery, radiotherapy, and hormone therapy. [here](#)
- Improving quality of life for children with neurodevelopmental conditions. Products developed by the Cerebra Innovation Centre at the University of Wales Trinity Saint David are improving quality of life and increasing independence for children with neurodevelopmental conditions. [here](#)

Higher levels of higher education are associated with lower levels of crime, greater social cohesion, trust and tolerance, and more civic engagement.¹² Recent examples of world-class research led by Welsh universities that also help to prevent or reduce expenditure on essential community and social services, for instance, include:

- Measuring the effectiveness of drug and crime control policies. Research from Swansea University has highlighted the need to change how drug and crime control policies are measured, leading to changes in approach by governments and international organisations. [here](#)
- Building resilient families. A new assessment tool developed by researchers at the University of South Wales helps health visitors to assess family resilience and identify the support they need to give their children the best start in life. [here](#)
- Improving decision-making in the emergency services. Ground-breaking research by Cardiff University has improved how the emergency services think, behave and respond in emergency situations. [here](#)

¹² Ibid.

Higher education also brings greater social mobility, higher earnings, less exposure to unemployment and increased entrepreneurial activity.¹³ This in turn alleviates pressure on the welfare budget.

9. Universities provide extensive support for businesses, providing access to unique expertise, services and specialist facilities.

Providing support for businesses and SMEs

Universities provide extensive support for businesses, providing access to unique expertise, services and specialist facilities.

In 2023/24, based on projections from previous years, universities will be expected to provide more consultancy for over 1,500 organisations, and undertake in the region of £33m of contracted research. Over 2,000 business and external organisations will also use equipment and facilities provided by Welsh universities.¹⁴

Over the last five years on record, from 2018/19 to 2021/22, Welsh universities provided support for the creation of over 1,600 student new start-up companies.¹⁵

Welsh universities have a particularly strong track-record in this respect. In 2021/22, for instance, they were responsible for 13% of all student start-ups from UK universities, and 14% of all staff start-ups.¹⁶

10. Universities also continued to make a significant direct impact on the economy through the scale of their business operation in its own right. In 2019/20, for instance, the expenditure of universities, their staff and students, and the international visitors that they attracted accounted for 4.2% (£2.8bn) of the gross value added (GVA) to the Welsh economy, and generated 4.9% (over 61,000) of all jobs in Wales.¹⁷

¹³ Ibid. Also see, the IFS study in 2021 ([here](#)) which identified that individuals eligible for Free School Meals (FSM) in year 11 who attended university are almost four times more likely to be amongst the highest 20% of earners at age 30 than those who did not.

¹⁴ Based on data from the HESA HE Business and Community interaction survey, 2021/22, open access [here](#).

¹⁵ HESA Business and Community Interaction data 2021/22, Open data, Table4e [here](#).

¹⁶ Ibid.

¹⁷ Viewforth Consulting Ltd (2021), Economic impact of higher education in Wales, July 2021.

The economic impact of universities

Universities are among the largest employers in Wales, and largest charities in the UK. In addition to the economic impact of its education and research and innovation, the activities of the universities as businesses in their own right have a very significant impact on the economy in Wales.

Direct investment in universities ripples throughout the economy as their output, the value they add to economy and the jobs they generate are significantly multiplied through businesses and suppliers. According to the latest study by Viewforth Consulting Ltd:¹⁸

- **Output:** For every £100 million of Welsh university output an estimated further secondary output impact of £96 million is generated in Wales plus a further £33 million outside Wales, in the rest of the UK.
- **GVA:** For every £100 million of gross value added directly to the economy by Welsh universities, a further £68 million is generated in Wales through knock-on effects plus a further £24m outside of Wales in the rest of the UK.
- **Jobs:** Welsh universities generate a total of 60,000 jobs in Wales. For every 100 direct jobs created in the University itself, another 122 UK jobs were generated outside the universities in other industries, 95 of them in Wales.

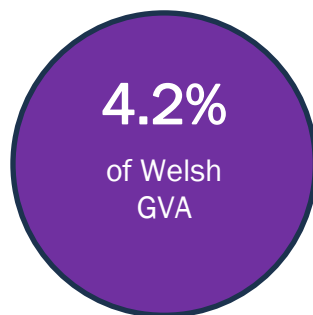
In addition, the off-campus expenditure of Welsh university students and the international visitors that universities and their students bring make a very significant contribution to the economy.

In 2019/20, Welsh universities (including the expenditure of staff, students and international visitors) generated over £5bn of economic output, accounting for 4.2% of the gross value added to the Welsh economy, and 1 in every 20 jobs in Wales:

Economic impact of higher education in Wales 2019/20

Including student off-campus expenditure and international students

2019/20	Universities - direct	Rest of Wales	Rest of UK	Total	% of Welsh economy
Output (£m)	1,638	3,676	642	5,955	
GVA (£m)	1,116	1,709	337	3,162	4.20%
Jobs	20,730	40,992	6,895	68,617	4.85%



¹⁸ Viewforth Consulting Ltd (2021), Economic impact of higher education in Wales, July 2021

11. Our universities also made a significant contribution to wider civic mission. Since 2021, universities in Wales have worked together, collaborating with a range of partners, under the pioneering sector-level initiative, the Civic Mission Framework for Wales, to deliver against the goals of the Well-being of Future Generations Act.

Civic mission – a spotlight on universities’ contribution

Every year, in addition to their core teaching and research activities, Welsh universities bring wider benefits to their local communities, contributing to their culture and well-being and providing unique support and services, as part of a shared civic mission.

In 2021/22, for instance, Welsh universities provided events and exhibitions for around one million attendees, including: free art, gallery or museum exhibitions, free public lectures, and music dance and drama performances.¹⁹

Since 2021, universities in Wales have worked together, collaborating with a range of partners, under the pioneering sector-level initiative, the Civic Mission Framework for Wales, to deliver against the goals of the Well-being of Future Generations Act.

Universities Wales’s showcase event held in July 2023 spotlighted a wealth of examples of the pioneering initiatives taking place right now, in 2023/24:²⁰

- Working with socially disadvantaged families, Bangor University’s Centre for Evidence Based Early Intervention promotes positive parenting and helps to reduce harmful and abusive parenting.
- Aberystwyth university provides free legal advice to more than 300 individuals locally a year, many of whom could not afford private lawyer fees, through its Family Legal Clinic and Veterans Legal Clinic.
- Cardiff Council and Cardiff University have worked together to provide young children with a wealth of opportunities through the Passport to the City: Cardiff Children’s University scheme, with more than 100 children from Cardiff rewarded for their achievements at the most recent ‘graduation ceremony’.
- Working with local partners and community leaders, the Open University’s Wales Reach project has helped people to learn creatively about the histories that have shaped their local communities - including one of the UK’s oldest multicultural communities in Butetown, the industrial history of Port Talbot, semi-rural communities in Pembrokeshire, quarrying and slate mining in Gwynedd, and helped people with learning disabilities in living in Rhondda Cynon Taf, Cardiff and the Vale of Glamorgan.

¹⁹ HESA Business and Community Interaction data 2021/22, Open data, Table 5, [here](#)

²⁰ See Universities Wales website [here](#) for further information.

- Working with local authorities, friends groups, homeless charities and schools Swansea University's Centre for Heritage Research and Training (CHART) is helping to develop heritage-led regeneration, drawing on South Wales's unique position as a major preserve of the heritage of the Industrial Revolution.
- The Linc Cymru Strategic Partnership between the University of South Wales and Linc Cymru (Linc), a Housing Association and Care provider, enables psychology students to contextualise their learning in the real world while helping people, and provides opportunities for co-curriculum development and collaborative research that improves well-being in the community.
- Working in partnership with Blaen y Maes Drop-in Centre in Swansea, UWTSO has provided opportunities over 60 families and 200 local community members to date to engage in family and adult learning activities from literacy and numeracy to confidence building and hosted local and national events such as the Swansea Christmas Parade and Refugee week.
- The North Wales 2025 Movement, a partnership including Wrexham university, has brought over 600 people and organisations together to end avoidable health and social inequalities, helping hundreds of people across North Wales.

Q2 Preparedness for the 2024/25 financial year and Welsh Government support

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

– How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Supporting the economy and businesses

12. One of the most important and effective ways that the Welsh Government can support the economy and business will be to invest in higher education. There is a pressing need to encourage more people, of all ages and backgrounds, into higher education in line with demographic growth in Wales and to meet major increase in demand for graduate skills by 2030. It will be important to increase investment in research and innovation with a real-world impact to prevent a cycle of low-skill, low-wage, and low productivity. More investment in universities also plays an important role in reducing the need for public expenditure in other essential services and enabling universities to make a unique and important contribution to wider public benefit as part of their civic mission.

13. There are significant opportunities to support universities in 2024/25 in the delivery of objectives that are critical to the economic and social well-being of Wales.
14. Catering for the next generation of students in Wales, as Wales's population continues to grow but participation rates worsen, will require tackling profound and challenging issues that currently limit participation in higher education and hold back individuals and the economy. Some of the key priorities and challenges that we currently seek to address include:
- 15. Meeting increasing demand for graduate skills in Wales.**
16. More than 400,000 extra graduates will be needed in Wales by 2035 in order to respond to skills gaps and workforce challenges of the future, according to the findings of a new report by UUK.²¹ By 2035, 95% of new jobs in Wales will be at graduate level, with 88% of UK jobs set to be at graduate level. As Welsh universities currently provide around 40,000 of graduates each year, and account for nearly three quarters of the UK graduate workforce in Wales,²² this means increasing the number of graduates from Welsh universities very significantly.
- 17. Addressing the significant under-participation in higher education from Welsh students.**
18. Wales already has the lowest participation rates in higher education of any country in the UK and the position is currently getting worse. As of September 2023 (Day 28 of Confirmation and Clearing), UCAS data indicates that 29.9% of Welsh 18-year-olds were accepted to study full-time undergraduate higher education in the UK via UCAS (10,476 from an estimated population of 35,040). This was a significant fall from the 32.4% application rate in the previous year and means that the gap in application rates with the rest of the UK has increased and is once again significantly lower than the 36.4% rate for English students or the 40.2% rate for students from Northern Ireland (data for Scotland is not directly comparable).
19. Were Wales to have a similar acceptance rate to that of Northern Ireland, for instance, we would expect around 3,600 more Welsh 18-year-olds in higher education. In short, more needs to be done to ensure that Welsh students have the higher education opportunities they deserve, and the economy needs.
- 20. Preparing for the population growth in Wales.**
21. Broadly, more people of all ages and backgrounds will need to enter higher education. However, there is also a key challenge to cater for the projected growth in potential students from Wales and the UK. Between mid-2020 and mid-2030, the population of Wales is projected to increase by 2.6% to 3.25 million and the average age of the population will increase.²³ The growth, however, will be much greater for the age groups which make up the majority of students with regulated

²¹ UUK, *Jobs of the future*, August 2023.

²² See above, para 6ff (Delivering skills and employment).

²³ ONS, National population projections (interim data): 2020-based, 12 Jan 2022 [here](#).

fees. Just between 2021 and 2027, the projected increase is +14% for 18 year-olds and + 15% for 19 year-olds between 2021 and 2027.

22. Scaling up research and development base in Wales.

23. Investment in research and development is considered critical to prevent “a cycle of low-skill, low-wage and low productivity”, as identified by the Senedd’s research.²⁴ Research and development delivers substantial and often transformative benefits for society, but is typically not viable for individual organisations without public investment and support.

24. Welsh universities have a particular importance for delivery of the nation’s total research and development. Welsh universities accounted for 28% of Wales’s total in R&D activity in 2021/22²⁵, which was much higher than English higher education providers accounted for (22% of England R&D). Investing in universities further stimulates private investment. According to the UK government’s research, “public investment in R&D crowds in private investment at a ratio of around two pounds on average for each pound of government funding”.²⁶

25. Compared to other UK countries, however, expenditure on Welsh university R&D is notably low, and the gap has been increasing significantly in the last few years (from 3.8% of the UK HERD expenditure in 2018 to 3.1% in 2021)²⁷.

26. This is primarily attributable to the size of the research base in higher education. Wales recorded 3.9% of the UK’s research staff submitted in the recent REF 2021 - significantly lower than an expected proportion based on Wales’s population size (4.7%)²⁸.

27. Because of this lack of investment in Wales, other UK countries – with a comparably larger research base – are better able to take advantage of the UK government’s major investments and opportunities. The keystone of UK Government’s 2017 industrial strategy was the commitment to increase R&D investment to 2.4% of GDP by 2027 (the OECD average)²⁹. The UK government has subsequently committed to increase public R&D investment from £14.8 billion in 2021/22 to £20 billion per year by 2026/27.³⁰

²⁴ Senedd Research, Research and Innovation in Wales, Research Briefing July 2021

²⁵ ONS, UK gross domestic expenditure on research and development, 2021, 17 July 2023.

²⁶ HMT, Build Back Better: our plan for growth, (3 March 2021) [here](#), citing Oxford Economics (2020), ‘The relationship between public and private R&D funding’.

²⁷ ONS, UK gross domestic expenditure on research and development 2021, Table 4a, 17 July 2023 [here](#).

²⁸ REF2021 data, 22 May 2022 [here](#) (own analysis); ONS mid-year population statistics mid-2020 [here](#) - corresponding to the REF2021 July 2020 census date.

²⁹ Industrial Strategy: building a Britain fit for the future, [here](#);

³⁰ UK Government, Autumn Budget and Spending Review 2021, 27 October 2021 [here](#). Originally the target date was 2024/25: see UK Government, Budget 2020, March 2020 [here](#).

28. Consider the unit of resource available for teaching, including part-time, giving the emerging difference between the cost of provision and price.

29. Grant funding from HEFCW has not increased to the levels envisaged by the Diamond Review as necessary for financial sustainability.³¹ As high inflation levels continue, it will be an increasing challenge for universities to address the issues identified above and wider benefits for Wales, without giving further consideration to the unit of resource available for teaching, including part-time provision.

Financial preparedness

30. The greatest challenge to delivery of these goals is the severe financial challenge that universities are facing themselves.

31. Universities in Wales are currently doing all that they can to mitigate the growing financial pressures, including fundamentally reviewing their business models and options. Universities Wales is supporting institutions in exploring sector level options. However, this is not likely to address the short-term pressures faced by institutions outlined in this document. In the meanwhile, universities are increasingly dependent on international fee income in particular, which is highly volatile and means a significant and growing financial risk.

32. Despite their proven track-record of coping with financial pressures, universities will not be able to remain on the current trajectory and continue to operate viably without making decisions that will have a significant impact on the provision of higher education for students and future capacity to provide research and innovation.

33. Addressing funding and sustainability issues in good time, with a clear plan, will ensure that universities are able to continue to deliver benefits to people and places in Wales and help addressing the big challenges that Wales faces. However, the longer that this left unaddressed the less likely universities will be able to prevent lasting damage that will take many years to recover from, and at much greater cost.

34. The latest financial statements present a clear picture of costs increasing quicker than income. For example, staff costs increased by 5%, even once the exceptional adjustments for USS pensions in 2021/22 were excluded.³² Staff costs remain by far the largest component of universities' expenditure.

35. Income increased overall, but the underlying picture was mixed:

- Tuition fee income increased by 4% in 2021/22. However, the fee income increases have not kept pace with the costs of provision: since 2015/16 by only

³¹ The funding assumptions at 2015/16 prices, were set out in Table 6 (p.51) and Table 7 (p.68) of the Diamond Review Report (2016) [here](#). This included £310m for higher education overall, including £85m to support the cost of full-time undergraduate provision, £63m to support the cost of part-time provision, and £96m for core research and knowledge exchange. It also recommended that this was updated in line with inflation (para 9.0.6). In 2023/24 prices, the total higher education funding would amount to between £387m and £437m, depending on the inflation measure used (GDP or RPIX).

³² HESA, HE Finance data 2021/22, Open data, [here](#). See also, HEFCW, Financial Position of HE Institutions in Wales 2021/22, 22 June 2023, [here](#) (para 50ff).

+3% in real-terms (RPIX) but the number of students (in FTEs) has increased by +12% in the same period.

- 'Other income' including accommodation and catering recovered in 2021/22, as the operating environment for most universities returned to near pre-pandemic levels, after two years with significant losses in 2019/20 and 2020/21. However, this was largely offset by an associated increase in 'other expenses'.
- Universities benefited from additional **funding body grants** in 2021/22 – a reduction compared to 2020/21 but still significantly higher than pre-pandemic levels, reflecting Covid related funding. The allocations for 2023/24 have already returned to lower levels.

36. Other operating expenses also increased notably, for a variety of factors – in particular increased expenditure associated with returning to a near pre-pandemic operating environment. For some this also included e.g. additional expenditure associated with increased international activity, and a significant rise in energy costs

37. **Cash flow** is an increasing problem for some universities. Net liquidity is becoming an increased difficulty.

38. **Levels of borrowing** are also a significant issue for many Welsh universities. Although there was variance between individual institutions, external borrowing overall amounted to 49% of income in Wales, compared to 34% for the rest of the UK in 2021/22. While the majority of borrowing was at fixed rates or hedged to limit exposure to variable rates and inflation, this limits the extent to which further borrowing can be relied upon.

39. Although financial accounts are not yet available for the current year, the position does not appear to have improved.

Financial preparedness – key challenges for 2024/25 and beyond

40. Universities in Wales have lost over 30% of the value of the full-time undergraduate tuition fee income since tuition fees were capped at £9,000 in 2012/13 due to inflation. Unlike the student support package, which is currently linked to the Living Wage, the value of maximum fee value has dropped and is continuing to drop rapidly due to high levels of inflation. The equivalent value of the fee when introduced was £13,365 in today's (RPIX in 2023/24 prices).

41. Based on current TRAC data, many universities across the UK – including in Wales – appear to have reached a point where full-time undergraduate provision, and publicly funded provision more generally, are not recovering their full economic cost.³³ In other words, they are delivered at a loss by the university. This adds to the long-standing problem that research typically only recovers around two-thirds of its costs, relying heavily on cross-subsidy from other sources. With current

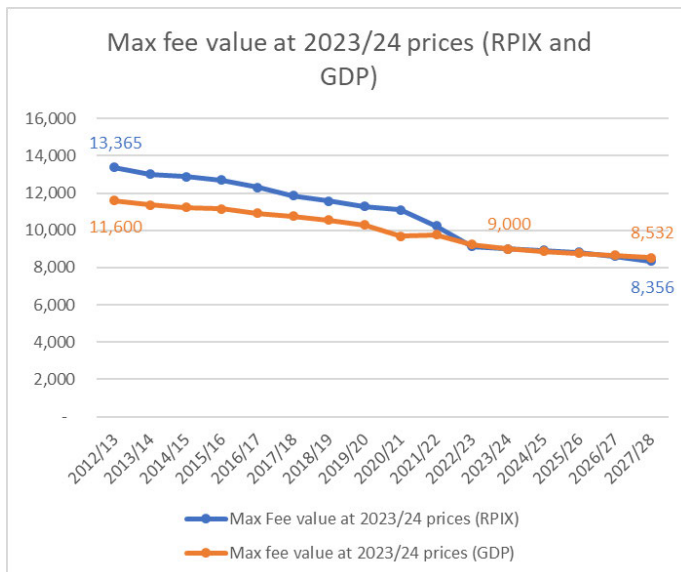
³³ OFS, Annual TRAC 2021-22, 25 May 2021 [here](#).

forecasts for inflation, this position is unsustainable and currently projected to get rapidly worse.

Impact of inflation on university finances

The maximum full-time undergraduate fee for home (and formerly EU) students has stayed at £9,000 since it was first introduced in 2012/13.

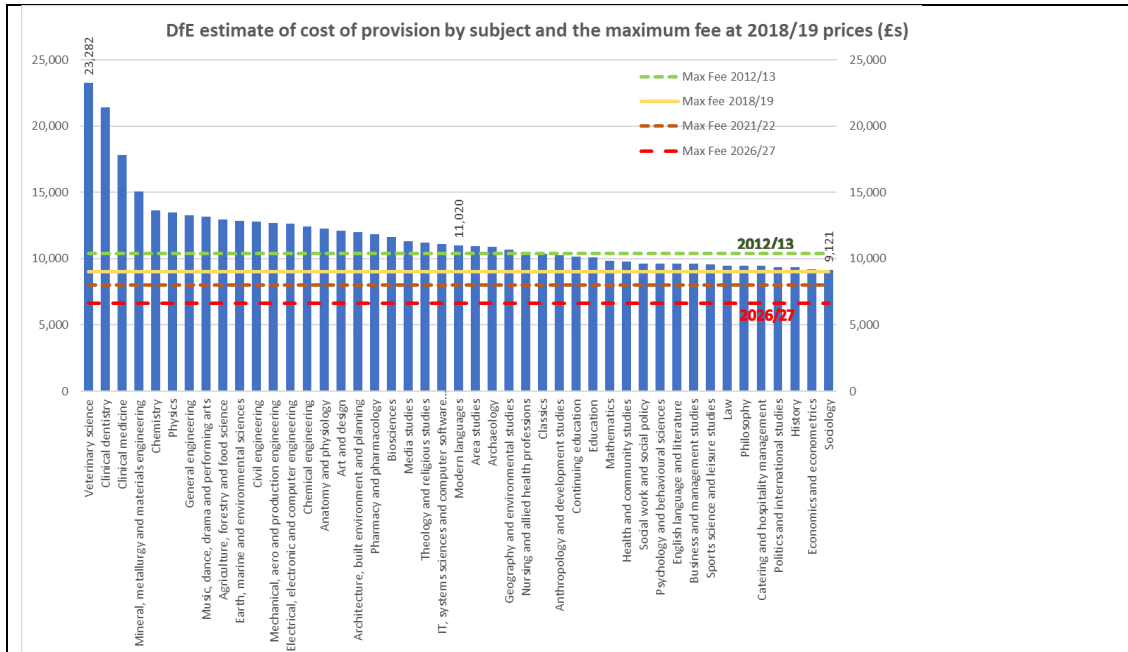
In 2023/24 prices, the value of the maximum fee has already fallen by 30% from £13,365, and will fall to £8,356 by 2027/28, based on the retail price index (RPIX) inflation forecasts.



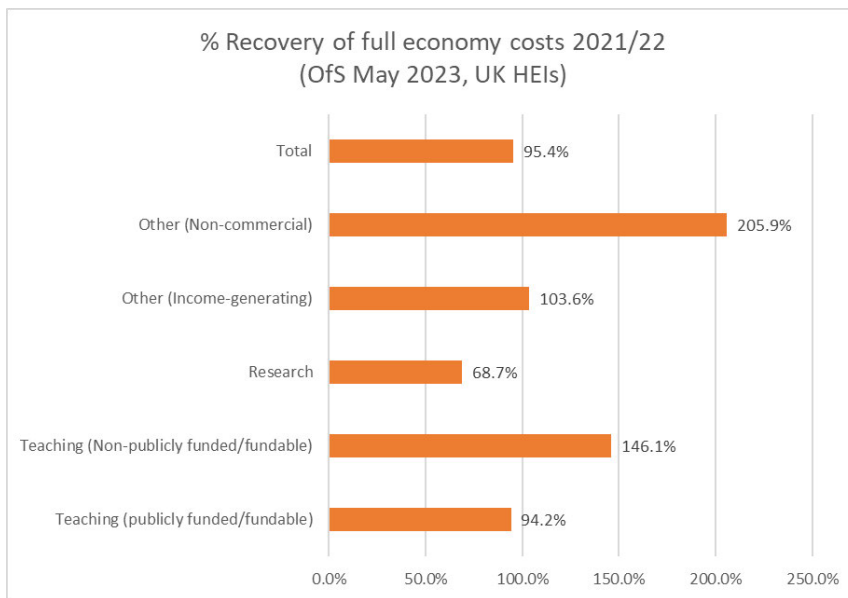
Analysis by both the DfE³⁴ and the OfS³⁵ indicates that, if measured in terms of RPIX inflation, the £9,000k full-time undergraduate **maximum fee no longer meets the full costs in any subject area**. The following chart sets out the DfE's estimate of the costs of provision by subject area in 2018/19 prices, and adds lines to show the comparative decline in value of the maximum fee (also in 2018/19 prices, based on RPIX):

³⁴ Department for Education, Measuring the cost of provision using Transparent Approach to Costing data, Annex A, May 2019 [here](#)

³⁵ Development of the OfS's approach to funding, Annex B, Figure B2, p.34 [here](#).



Analysis of university cost data by activity (TRAC data) by OfS³⁶ suggests that publicly funded teaching is typically no longer recovering full economic costs. In addition, as has long been the case, research only recovers around two-thirds of its costs. Though the published data is only available for the UK as a whole, and results specifically for Wales are not publicly available, we understand the position for Welsh universities to be broadly similar:



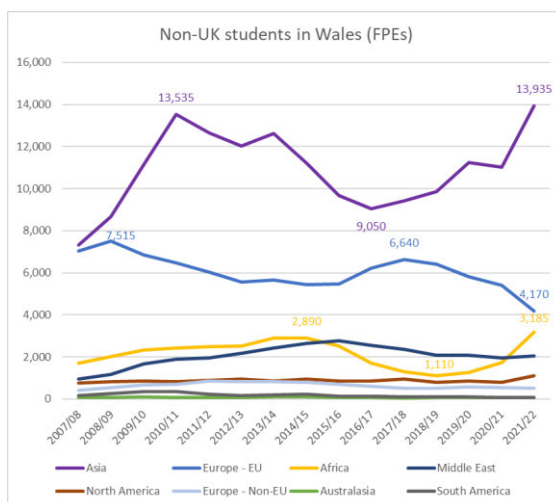
³⁶ OfS, Annual TRAC 2021-22, 25 May 2021 [here](#).

42. This means increasing reliance on fee income from **international students**. Despite recent increases, most notably for postgraduate study (+13% in 2021/22), Wales still has a comparatively low market share of international students (3.9% of the UK in 2021/22). However, for universities to recruit significantly beyond current levels, major additional investment is likely to be needed.

Students in Wales (FPEs) as % of UK

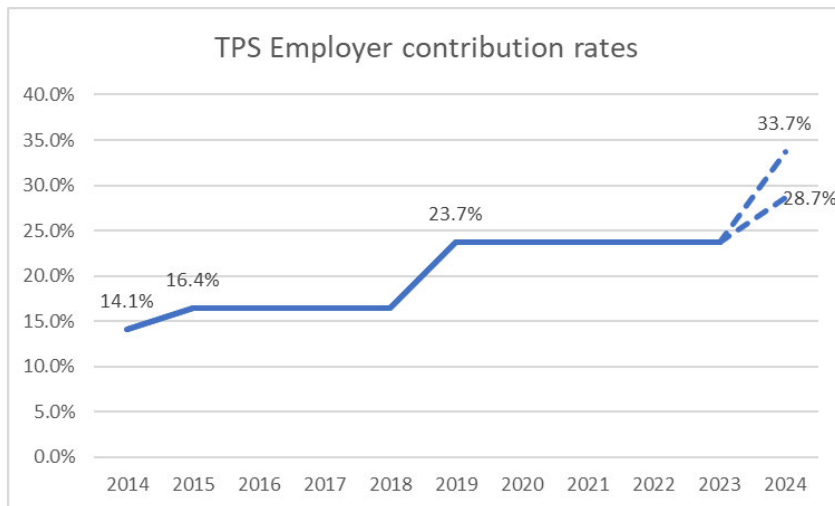
2021/22	Postgraduate			Undergraduate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
FPEs							
European Union	760	415	1,180	2,595	400	2,995	4,170
Non-European Union	13,435	605	14,040	6,385	495	6,880	20,920
United Kingdom	9,595	13,850	23,440	74,990	25,520	100,505	123,950
Total	23,790	14,870	38,655	83,965	26,415	110,380	149,040
As % of UK							
European Union	3.2%	5.0%	3.7%	3.2%	12.2%	3.6%	3.6%
Non-European Union	4.3%	3.3%	4.3%	3.2%	3.9%	3.3%	3.9%
United Kingdom	5.2%	5.7%	5.5%	5.4%	8.9%	6.0%	5.9%
Total	4.6%	5.5%	4.9%	5.0%	8.7%	5.6%	5.4%

43. International student markets are also notoriously volatile, as the chart below indicates, and increasingly competitive which makes it very risky as a strategy to rely on to make up for losses on core activities. Institutions across the UK are reporting a more difficult environment in converting applications to enrolments, likely driven by competition from other markets and a sub-optimal domestic migration environment (for example, the past year has seen extensive visa delays and increases to the costs charged to students by UK Government to study in the UK). Universities are also reporting significant additional costs in developing new markets which point to potentially significantly lower margins on returns than historically made.



44. Another major issue for universities to contend with in 2024/25 will be continuing pension cost increases. In the immediate future, further increases in the costs of the **Teachers Pension Scheme**, a statutory requirement for a number of Welsh universities, are of the greatest concern. TPS employer contributions have

increased dramatically since 2014 (14.1%). Employer contributions are currently expected to increase by a further 5% at least as result of the SCAPE discount rate review i.e. from 23.68% of salary to 28.68% of salary, but the increases may be even higher. A 5% increase would (on initial estimate) mean approximately £9.6m additional costs per annum from 2024, by our calculations, which would fall on just four universities, and the increase could be as high as 10% i.e. double that.



45. The TPS is an unfunded defined benefit scheme. This means that the government promises scheme members a defined stream of income in retirement, based on their salary when they were working, but does not set aside a ‘fund’ to meet these costs. Instead, the costs are made out of general taxation when they eventually become due and, in the meantime, employers are required to make employer pension contributions based on an estimate of the present-day cost of the pension benefits promised (which effectively reduce current government deficits rather than increase future member benefits). Essentially, increased contributions from Welsh universities will have the effect of reducing current UK government deficits.
46. It is a statutory requirement for maintained schools, academies, further education colleges and post-92 universities to continue to enrol eligible teachers on the scheme. The UK and Welsh governments have previously provided significant support for cost increases in the TPS in other sectors, and one of our key asks would be that the Welsh Government to explore ways in which the major impact that this will have on the four universities affected can be mitigated. In 2018 the UK government provided additional funding to cover the additional costs for the NHS and the school sector in England. The Scottish Government agreed to additional funding of £2.749M to help Scottish HEIs transition towards the costs, for the period 1 September 2019 to 30 March 2020. In relation to the 2020 valuation, HM Treasury have currently committed to providing increased funding for employers whose employment costs are centrally funded through departmental expenditure (ensuring it is fiscally neutral). However, in line with the decisions in

2018, this currently does not include universities who end up by making a disproportionate contribution of the scheme's costs.

47. Following the 2023 revaluation, we currently expect the future service costs of the Universities Superannuation Scheme (USS) to reduce with the combined employer and member contributions falling from 25.2% to 20.6%, and deficit recovery contributions falling from 6.2% to 0%, to be implemented in 2024. Final decisions on the split between employer and member contributions are yet to be confirmed, however.³⁷ The surplus identified by the 2023 revaluation will also result in significant adjustments to the accounts to reflect changes in contractual liabilities. The on-going volatility of the scheme, based on Gilts rates, may still be an issue for banking covenants, however.
48. Of the many other inflationary pressures to impact on universities finance, the rise in **energy costs** remains a key concern. Rising faster than general inflation and Welsh universities particularly exposed: 75 sites with more than 1,500 buildings (about a third of which are residential) occupying an area of 2,376 hectares. In many cases, the impact of the energy price rises is only beginning to be fully felt as contracts are renewed, and we expect future sets of accounts to reflect this.
49. Our current work with universities suggests there could still be significant opportunities efficiencies. However, there are obstacles to universities making the necessary capital investment, particularly with the current levels of borrowing that they already have.
50. On that front, the **cost of borrowing** is also expected to impact heavily on Welsh universities. Universities already have relatively **high external borrowing** overall (49% of income Wales, 34% UK in 2021/22), although this varies between individual institutions. Bank rates increased to 5.25% in August 2023, an increase 3.5 percentage points within a year (from 1.75% in August 2022) and are expected to continue to rise. We welcome the Welsh Government exploring the potential opportunity for Welsh universities to have greater access to financial transactions capital, for instance, to help with this.

Why can't universities just use their reserves?

Universities 'reserves' are not unused cash or liquid assets set aside for dealing with emergencies. In accounting terms, it simply means the total 'net assets' that a university has accumulated, i.e. its total assets less its liabilities.

Most of the universities' assets are fixed assets used by the university such as land, buildings and capital equipment, and not cash or equivalents.

The majority of the assets which make up the reserves are essential for the continued operation of the university. Reducing those assets means reducing the activities, services or income streams they support, which in turn has an impact on universities' future income generation.

³⁷ USS update, 26 October 2023 [here](#).

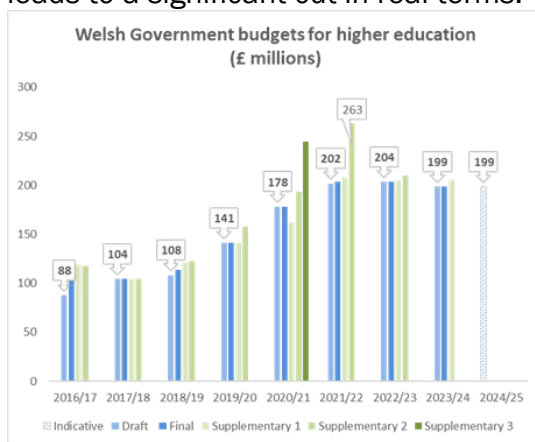
The value of the assets recorded in the accounts may often be considerably less than the assets would achieve at open market, due to the specialised nature of those assets: the assets are normally accounted for at original cost or value to the institution as opposed to disposal value.

In general, using up reserves to address recurrent problems with income/surplus levels is not a prudent financial management strategy. Unless the use of reserves results in the university having a more viable business it will simply mean that its assets continue to be eroded, and potentially very rapidly. Banks and lenders and charity rules typically require universities to keep certain levels of reserves. In addition, around 7% of reserves in universities are ‘restricted’ which means they can’t be used for any other purpose.

In Wales, universities net assets (i.e. reserves) have been recovering in absolute terms after the major fall in 2018/19 and 2019/20. The days ratio of net assets (i.e. reserves) to total expenditure, however, fell to 282 days in 2021/22, because of the significantly increased total expenditure.

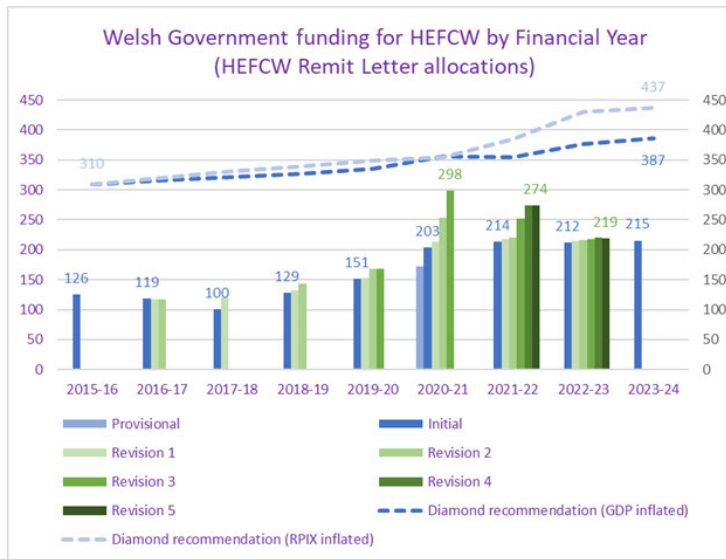
Welsh government budget for HE

51. We are concerned about the implications of any budget position for 2024-25 that leads to a significant cut in real-terms.



52. The public funding support for higher education has a critical role in enabling universities to deliver activities that would not be economically viable to deliver if left to market forces alone and to make up for universities’ inability to recover full costs where the government has imposed restrictions on the fees that universities may charge. For example, without Welsh Government investment it would not be possible for universities to secure the income that it does from other sources.
53. The core funding allocation for higher education, however, remains a long-way short of the levels envisaged as necessary to provide financial sustainability by the

Diamond Review³⁸ in addition to the lack of inflationary increase to the maximum fee chargeable for full-time undergraduate students.



54. Nearly half of HEFCW's current budget (£105m) was allocated to research and innovation including £82m for quality research funding, £6m for postgraduate provision, and £15m for the Research Wales Innovation Fund (RWIF).³⁹ Even with this critical support, however, public funding only covers around two-thirds of the costs of research.⁴⁰

55. £77m was allocated to teaching for the academic year (AY) 2023/24. £43m was allocated for full-time undergraduate provision, including £36m for higher cost and expensive subjects. £34m was allocated for part-time and post-graduate provision, primarily comprising £24m for part-time undergraduate provision and £8m for the access and retention premium.⁴¹

56. In addition, HEFCW's allocations for 2023/24 included £6m for access, well-being and employability initiatives, £9m for degree apprenticeships, £4m for postgraduate master's bursaries, £7m for other strategic investments, and £10m for capital expenditure.

57. Comparing funding in other UK countries, higher education in Wales remains comparatively disadvantaged. Welsh universities received significantly more one-off funding during COVID than their English counterparts (including £127m

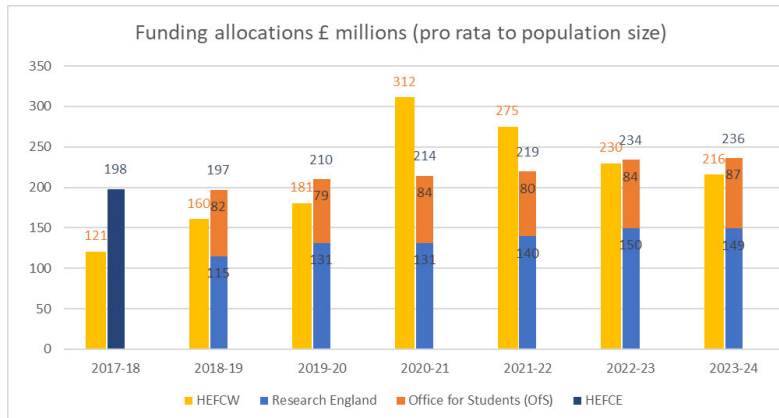
³⁸ Review of higher education funding and student finance arrangements: final report, September 2016; [here](#). The funding assumptions at 2015/16 prices, were set out in Table 6 (p.51) and Table 7 (p.68) of the Diamond Review Report (2016) here. This included £310m for higher education overall, including £85m to support the cost of full-time undergraduate provision, £63m to support the cost of part-time provision, and £96m for core research and knowledge exchange. It also recommended that this was updated in line with inflation (para 9.0.6). In 2023/24 prices, the total higher education funding would amount to between £387m and £437m, depending on the inflation measure used (GDP or RPIX).

³⁹ HEFCW, W23/19HE: HEFCW's Funding Allocations for Academic Year 2023/24, 19 July 2023, [here](#)

⁴⁰ See Box above (following para 41) on Impact of inflation on university finances – referring to TRAC data published by the Ofs, Annual TRAC 2021-22, 25 May 2021 [here](#).

⁴¹ See footnote 29 above.

additional COVID-19 related funding for financial year 2020/21, allocated across different academic years). However, the latest HEFCW allocations reflect a return to core funding and it appears that Wales is set to lag behind again – by the equivalent of around £20m on a population basis for Wales for 2023/24.



58. Core funding for research (QR and PGR) in particular continues to lag significantly behind other parts of the UK which makes it all the more difficult to compete for other funding sources. For 2023/24, this indicates that in Wales the funding allocations for research and innovation (£105m) were £44m lower than in England (£149m equivalent) and £68m lower than in Scotland (£173m equivalent). Teaching funding in Scotland is not directly comparable.

UNIVERSITY RESEARCH FUNDING ENVIRONMENT

UK universities are funded to undertake research and innovation under a dual support system. Each UK government provides **core funding for research**, distributed by its funding council (HEFCW, Research England etc). Primarily this is made up of **quality-related research funding ('QR funding')**, which is typically awarded on the basis of outcomes from the most recent national evaluation exercise – currently the Research Excellence Framework 2021 – and provides the foundations on which other projects can be built. Further funding is also allocated for postgraduate research students. There are equivalents to this in each UK country, although the methods for allocation differ.

UKRI and its constituent councils also provide **competitive funding for universities on a UK-wide basis**. QR funding is essential in enabling Welsh universities to compete for this funding. Notably, UKRI only funds 80% of the full economic cost of the projects it funds.

Innovation funding varies between country. In Wales, RWIF funding supports innovation and knowledge exchange activities. Notably, Wales did not have RWIF funding (or equivalent) between 2013 and 2019.

EU funding replacement

59. Universities in Wales have delivered significant benefit through collaborative, large-scale research, innovation and skills projects funded by European Structural and Investment Funds (ESIF).
60. £366m in EU Structural funds were awarded for projects led by Welsh universities from 2014 to 2020.⁴² This does not include projects where universities are joint sponsors or partners (including Welsh Government projects). These projects, specifically designed to help level the playing field for Wales and address regional disparity, include many projects that have delivered significant benefits for Wales and its communities. The funding has enabled universities to deliver benefits to businesses, including small and medium enterprises, the public sector and individuals.
61. The lack of an adequate replacement for EU funding is a major issue for universities. Some of the most severe impacts on jobs and projects arising from the withdrawal of the structural funds are likely to be seen in the university sector. In April 2023, we identified that, as a result of the loss of ESIF funding, over 1,000 highly-skilled jobs and 60 research, skills and innovation projects in Welsh universities were at risk.⁴³ The loss of these will significantly reduce research capacity and the ability to develop and attract talent to grow the Welsh research base within Welsh universities and deliver skills for the future.
62. While the UK Shared Prosperity Fund (UKSPF) will award £459m across 2022-25 in Wales (with £101m of this ring-fenced for Multiply) it cannot be considered replacement funding for ESIF from a university perspective. Some of the problems we have highlighted in evidence to the Senedd is that the UKSPF has a far wider remit than ESIF and the funding methodology inhibits the ability to deliver regional or national joined up activities with long-term planning horizons. Key factors in this include the timescales under which local authorities have had to develop proposals, making regional or national collaboration difficult, and the short-term funding horizons making it challenging to develop long-term interventions such as KESS.
63. Similarly, the UK government's Levelling up fund, which allows each local authority can submit one bid for the fund's investment priorities per constituency wholly or partially within their boundaries, means that universities can no longer directly access these funds.
64. In April 2023, we identified that bridging funding of approximately £71m would enable ESIF funded projects in Wales to continue for a further 12 months. We welcome the ETRA Committee's recommendation that the Welsh Government

⁴² Welsh Government, EU Structural Funds programme 2014 to 2020: approved projects, updated 18 April 2023, This figure includes a project led by HEFCW.

⁴³ Universities Wales, Post-EU regional development Funding Consultation response to the Economy, Trade and Rural Affairs Committee, 21 April 2023 [here](#).

should commit to discussing bridge funding opportunities with universities as a result of withdrawal of the EU funds.⁴⁴

Q3 Inflation and cost of living issues

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

– How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

65. Further investment in universities will play a significant part in diverse ways in supporting vulnerable households and communities in tackling inflation and cost of living issues. We discuss cost of living issues in relation to university students under Q7. More generally, research indicates that in the long-term higher education reduces poverty and inequality and brings life-changing opportunities for individuals and communities.

66. Continued investment in research and innovation should also play a part in tackling these challenges. For instance:

- Pinpointing fuel poverty. Cardiff University researchers have developed a new tool which identifies households most in need of support to heat their homes, [here](#). The unique mapping system can establish, for the first time, where targeted energy saving measures would deliver maximum reduction in waste energy usage. As of August 2021, the mapping system has been used to target and assist 3,000 vulnerable households.
- Strengthening uptake of the Living Wage across the UK. Research from academics at Cardiff Business School has led to improvements in the working conditions of thousands of people. [here](#)
- Reforming homelessness legislation in Wales. Dr Pete Mackie's research into Welsh homelessness legislation led to the Housing (Wales) Act 2014, and has informed policy debates in Scotland, Canada, and Australia. [here](#)

67. Many of the initiatives undertaken by universities as part of their civic mission engagement specifically help to address poverty in the community. For instance, in 2023/24:

- The North Wales 2025 Movement, a partnership including Wrexham university, has brought over 600 people and organisations together to end avoidable health and social inequalities, helping hundreds of people across North Wales.

⁴⁴ Welsh Parliament Economy, Trade and Rural Affairs Committee, Post-EU regional development funding, September 2023, [here](#). Recommendation 14.

- Working with local authorities, friends' groups, homeless charities and schools Swansea University's Centre for Heritage Research and Training (CHART) is helping to develop heritage-led regeneration, drawing on South Wales's unique position as a major preserve of the heritage of the Industrial Revolution.
- Working in partnership with Blaen y Maes Drop-in Centre in Swansea, UWTSD has provided opportunities over 60 families and 200 local community members to date to engage in family and adult learning activities from literacy and numeracy to confidence building and hosted local and national events such as the Swansea Christmas Parade and Refugee week.

Q4 Building a greener economy and tackling climate change

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

68. Tackling climate change and its associated impacts will be one of the foremost challenges that Wales will face in coming years. We agree that tackling climate change should be a key ambition and priority for the Welsh Government.
69. We think there is further scope to support universities in tackling climate change and the nature emergency. Wales is under-investing in research and development compared to other parts of the UK, and there is a strong argument for expanding and supporting Welsh universities in providing pioneering and world-class contributions to this area – particularly in the light of the absence of an appropriate replacement for the EU structural funds.
70. Universities have a key role as educators, in providing expertise for policy development, and in shaping future behaviours, through the range of engagement activities and in providing a research and evidence base.
71. For Welsh universities, as major organisations in their own right, there is significant scope to collectively explore further 'invest to save' opportunities that will help universities to reduce costs in the long-run and meet net-zero targets through greener projects and investments.
72. Examples of world-class research in Wales that is helping to build a greener economy and tackle climate change includes for instance:
- Changing land use to reach net zero. Research on biomass crops by a team at Aberystwyth University has influenced government policy and legislation on the use of land to reach net zero. [here](#)
 - Scaling-up the environmentally friendly production of Perspex®. Research by Cardiff University provided the global Perspex® industry with a cost-effective production process, which could be used at scale, delivering significant economic and environmental benefits. [here](#)

- Maximising the benefits of the UK's wind farms. Cardiff University research is helping to modernise energy transmission across the UK and Europe and push us towards the target of net zero carbon emissions. [here](#)
- Pioneering the use of hydrogen for transport and industry. Researchers at the University of South Wales have developed cost-effective, low-carbon methods of producing and recovering hydrogen. [here](#)
- Making livestock farming more sustainable. Two new clover varieties developed by researchers at Aberystwyth University reduce the environmental impact of livestock farming, while delivering economic benefits to farmers. [here](#)

73. 'Net zero, Energy capture and storage and Decarbonisation' is one of the key areas that Welsh universities are collectively focusing on for their research and innovation, coordinated by the Wales Innovation Network (WIN). Examples of the projects currently being undertaken in this area include:

- Exploring solutions to the generation, storage and application of hydrogen. The Hydrogen Alliance – led by Bangor University - has three main purposes: to review existing research and innovation activity within Welsh higher education institutions, focussing on the generation, storage and application of hydrogen; to examine collaborative activity between universities, and between universities and external partners in, or close to, Wales; to examine how research into hydrogen complements and integrates regionally with work into other low carbon energy sources. It will provide the basis for a future network which can develop a research and innovation based low-carbon ecosystem in Wales.
- Supporting Wales' marine energy and blue economy. The ERDF-funded [SEACAMS](#) project (1+2), led by Swansea University, has supported Wales's marine renewable energy (MRE) and blue economy for more than 12 years. SEACAMS2 offered vital research support to companies wanting to harness the sea's power and create a sustainable marine energy industry in Wales.
- Gathering and collating evidence for the effectiveness of coastal eco-engineering. The project, led by Aberystwyth University explored eco-engineering and biosecurity solutions for coastal adaptation to climate change. Ecostructure has produced a number of tools for coastal managers and researchers, such as GIS maps, modelling tools, and conservation resources. The next stage of research and development in this field will require larger-scale trials in collaboration with the public and private sectors.

Q7 Specific areas – reducing poverty and tackling the cost of living crisis

- *Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?*

74. For our comments on how universities can further help tackle poverty and inflation issues in households and communities generally see under Q3 above.
75. Welsh universities have variously put in place significant additional measures to alleviate financial hardship for students in 2023/24. This has included increasing hardship funding and widening eligibility, new targeted bursaries to address cost of living – and increased staffing to help promote and process applications quickly.
76. Examples of other targeted initiatives have included: provision of free food for those who need it (e.g. through food stations, and free breakfast items), provision of information and access to training on managing finances (e.g. access to the Academy of Money Open Learn course developed by MoneySavingExpert Martin Lewis and the Open University, and ‘Manage your Cash’ workshops) and providing ‘shopping bags’ of useful items to help students negotiate the winter months and keep costs down. Student support services for health and welfare more generally are being increased. Universities have also reported that they have sought to avoid or mitigate increased catering and accommodation costs for students as far as possible.
77. In particular, supporting student mental health and well-being remains a key priority for Welsh universities. In its evidence to the Senedd's Children, Young People and Education committee on student mental health support in higher education in October 2022, Universities Wales highlighted the need for data sharing between health and education providers, and support for transitions from further to higher education, from CAMHS to adult mental health services, and for students living away from home during term-time to access GPs and NHS services – drawing on the policy recommendations developed in partnership with NUS Wales, AMOSSHE and Colleges Wales published last year.

Q7 Specific areas – addressing gender inequality

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

78. There is significant further scope for the budget to addressing gender (and other) inequalities by supporting universities.
79. Addressing inequalities in higher education will also help to address inequalities in employment and other areas. Specifically in relation to gender inequality, recent work by the Institute of Fiscal Studies (IFS) suggests that attending university increases women's earnings by 26% at age 29.⁴⁵ 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 university.⁴⁶

⁴⁵ See IFS, The impact of undergraduate degrees on early-career earnings, November 2018, [here](#).

⁴⁶ See e.g. IFS, The returns to undergraduate degrees by socio-economic group and ethnicity, 2021 [here](#).

80. In relation to skills, an important priority will be to address the under-representation of male students applying to higher education. Only 24% of Welsh 18-year-old men were accepted to study full-time undergraduate higher education, compared to 36% of women in 2023. This compares to 31.3% of male English 18-year-old students and 41.8% of women. Gender representation across different subjects can also vary greatly.

81. Universities undertake a range of measures specifically to address gender inequality, as identified in their fee and access plans.

82. Many of the causes of gender imbalance in subject choices and career paths are rooted at a much earlier stage of education, however. This is an area that can benefit from a collaborative approach, and CTER may provide further opportunities to support a cross-PCET approach. The sector in Wales has already undertaken efforts to address this, for example through the Physics Mentoring Project which aims to increase participation of women in physics and physics-related subjects.

Q7 Specific areas – preventative spending

- *Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).*

83. We think there is further room to recognise the extent to which investment in higher education prevents problems in other areas and saves public expenditure on other essential services. Investment in higher education as a whole means many wider benefits for communities and individuals further down the line.

84. Higher education has been linked with better general health, better mental health, and higher life expectancy.⁴⁷ Welsh university research also plays a fundamental role in this. Recent world-class research projects that help to save the need for much greater expenditure further down the line include, for instance:

- Helping young children develop skills for a healthy life. Researchers at the University of Wales Trinity Saint David have created a programme to support the development of children's physical literacy and motor skills. [here](#)
- Improving diagnosis and treatment of disease. Researchers at Aberystwyth University have used medical image analysis to develop new diagnostic tools and improve outcomes for patients living with conditions including MS, endometriosis and retinal disease. [here](#)

85. University education also helps to prevent problems in communities. Higher education is associated with lower levels of crime, greater social cohesion, trust and tolerance, and more civic engagement.⁴⁸ Universities also directly support and engage with communities (see under Question 1 for examples of current work).

⁴⁷ See for instance, BIS Research Paper No. 146 ([here](#)), October 2013.

⁴⁸ Ibid.

86. Higher education also brings greater social mobility, higher earnings, increased entrepreneurial activity and less exposure to unemployment.⁴⁹ This in turn has a significant role in reducing costs further down the line on the welfare budget.

87. In particular, more preventative spending is needed in tackling climate change and building a greener economy. As discussed more fully under Question 4, 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.

Q7 Specific areas – budget transparency

- *How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?*
- *How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?*
- *How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?*

88. We note that one of the aims of the Welsh Government in establishing the new Commission for Tertiary Education and Research will be to increase the transparency of funding decisions and information. HEFCW already has a strong track-record in this respect and we hope will provide a good model to build on.

Q7 Specific areas – public sector investment

- *Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning. Has there been adequate investment from the Welsh Government in basic public sector infrastructure.*
- *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?*

89. Although universities are charities and not public sector they are subject to many of the duties and rules that apply to public sector bodies. In some cases, this can mean disparities in support. In relation to the TPS scheme in particular, where universities have inherited schemes from the public sector, it means that higher education has not received support for the major increase in costs unlike FE and others in the public sector.

⁴⁹ Ibid.

90. We look forward to working with public sector partners on issues of joint interest on the new Social Partnership Council, when established in 2024.

Q7 Specific areas – infrastructure investment for young people

- Is there enough infrastructure investment targeted at young people?

91. As discussed more fully under Question 2, we are currently very concerned that the higher education infrastructure may not be sufficient to cater for the future needs of people in Wales, and further investment will be required to do so.

92. Wales has the lowest participation rates in higher education of any UK country, and all but one region within the UK (the North East).

93. As noted above, 29.9% of Welsh 18-year-olds applied to study full-time undergraduate higher education in the UK in the 2023 UCAS cycle (18,020 from an estimated population of 60,268)⁵⁰ and the gap in participation rates compared to other UK countries (and most regions in England) is growing.

Q7 Specific areas – Key opportunities for investment

– *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 Well-being of Future Generations Act?*

94. As identified in the questions above, investment in higher education is critical for supporting economic recovery in Wales. Universities make a very substantial contribution to the delivery across the spectrum of Wales's well-being goals, and investment in higher education also supports public services more widely, often reducing the need for expenditure in other areas.

95. We recognise the challenges of the current budget round and the difficulty of adequately addressing the many priorities for budget allocations. Nevertheless, as identified under Q3, the current financial position for universities remains very challenging and the impact of inflation is rapidly making it increasingly unsustainable to deliver what Wales needs.

96. In so far as the Welsh Government is able, we would urge it to consider the following key opportunities for investment in higher education for the 2024/25 budget:

- Continue to work closely with the sector to address the fundamental funding challenges facing universities, in light of a severe real-term reduction in income and the impact of significantly rising costs of provision. It is essential that changes are made as soon as possible to ensure higher education can operate

⁵⁰ Data available here: [Statistical releases – daily Clearing analysis 2023 | Undergraduate | UCAS](#)

on a sustainable basis and deliver the higher education that Wales needs for future prosperity.

- Maintain core funding for higher education for 2024/25 with a view to increasing it in line with the Diamond Review recommendations in future budget rounds, seeking in particular to provide greater core funding for research and innovation and to address the impact of increasing losses made from providing fee-regulated courses. This includes consideration of the breadth of support for modes of delivery including part-time.
- Explore options to enable universities to transform their activities where this could prevent greater costs down the line and improve sustainability, for instance, ‘invest to save’ funding or finance.
- Explore ways in which universities can be supported to maintain the talent and infrastructure currently being lost or at risk of being lost as a lack of replacement for EU funding sources.
- Provide support for Teachers Pension Scheme (TPS) increases in higher education, in line with support provided for FE and other organisations facing significant TPS cost increases. Explore options for bridging funding to help with the immediate impacts of energy, pensions and cost of living.
- Consider the unit of resource available for teaching, including part-time, giving the emerging difference between the cost of provision and price.

Universities Wales

November 2023

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 23: Ymateb gan: Cymorth i Ferched Cymru (Saesneg yn unig) | Response from: Welsh Women's Aid (English only)





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

Name:	<i>Jennifer Mills, Policy Officer</i>
Organisation:	<i>Welsh Women's Aid</i>
Email address:	[REDACTED]
Telephone number:	<i>02920 541 551</i>
Address:	<i>Pendragon House, Caxton Place, Pentwyn, Cardiff CF23 8XE</i>
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. Our membership comprises of 20 specialist support services. These services deliver lifesaving and life-changing support and preventative work in response to violence against women, including domestic abuse and sexual violence against children and young people, men and boys, trans and non-binary people, 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 also award 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](#)).

Introduction

Welsh Women's Aid welcomes the opportunity to response to this call for evidence.

At the time of submitting this response, demand on violence against women, domestic abuse and sexual violence services is soaring.

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

We acknowledge the significant financial pressures faced by Welsh Government. We appreciate that the Welsh Government is facing around £900 million less in real terms than forecasted by the UK Government in the last spending review, and we welcome the First Minister's statement¹ around the budget, focusing on the prioritisation of frontline services. However, the impact of these financial pressures on survivors of VAWDASV and the services that support them are clear.

Survivors of VAWDASV continue to be on the sharp end of the recovery from the pandemic and the economic outlook for 2024-25 remains concerning. Whilst we recognise that the Welsh Government is facing increasing pressure to provide services in the face of economic uncertainty, we remain concerned that last year's budget did not go far enough to address the root causes of economic inequality within Wales, and the consequences of this on survivors of VAWDASV are multi-factorial. Much evidence suggests that in times of economic turmoil, women bear the brunt much more heavily and this has ongoing effects on rates of all forms of violence against women and girls. As such, despite welcome protection for funding for VAWDASV services, we believe there is much more the Welsh Government could do to ensure their promise of making Wales the safest place for a woman to live becomes a reality.

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

Despite the trying economic circumstances, we welcomed the following in the 2023-24 budget:

- An increase of £130,000 for VAWDASV from the indicative budget
- A 5% increase in funding for the VAWDASV regions
- A 4% increase in funding for specialist services
- £18.8 million of additional funding for the discretionary assistance fund (DAF) to provide support for those most acutely affected by the cost-of-living crisis

However, we are disappointed that these increases are sub-inflationary for the time period, and that there has been both a net reduction in the social justice budget, and a £4.2 million reduction in funding for the equality, inclusion, and human rights budget. We are also disappointed that funding for the Housing Support Grant has been maintained at a baseline of £166 million. The Housing Support Grant is vital to ensuring accommodation-based provision such as refuge services are delivered, and that the Grant has not been increased on par with inflation leaves services soaking up the cost.

¹ <https://www.gov.wales/written-statement-update-about-budget-2023-24>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline

0808 80 10 800

ffôn • tecst • 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

Levels of domestic abuse and sexual violence increased sharply during the pandemic and as yet show no signs of abating. However, pandemic-related crisis funding that was granted to specialist domestic abuse and sexual violence services has halted, leaving services either having to make up this shortfall from their reserves, or cut services. As such, we strongly urge Welsh Government to consider the real levels of need at present as we continue to recover from the pandemic, rather than only in times of crisis themselves.

We continue to see rises in the number of survivors needing direct support from services, and the complexity of the support they require. In the 2022-23 financial year, data from our membership of services shows:

- 46% of survivors referred to refuge were unable to be supported, the majority of whom (28%) were unable to be supported due to a lack of refuge space
- A 24% increase in the number of children attending awareness raising training and/or workshops
- A 28% increase in reports of finance abuse experienced by survivors accessing community-based services
- An 11% increase in reports of child-to-parent abuse by survivors accessing community-based services

Across the same time period, data from the Live Fear Free Helpline shows:

- 23,272 contacts were made to the Helpline, 54% of which (10,849) were directly from survivors
- A 33% increase in contacts via email
- A 43% in contacts via text
- A 63% increase in handling time
- A 64% increase in talk time

Consequently, despite welcoming the protected funding within the VAWDASV budget, we do not believe current funding levels are sufficient to provide the support required at present, or for the continued increase in demand expected throughout the 2024-25 financial year and beyond.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

– How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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 is an umbrella organisation representing 20 specialist service providers located across Wales. We are fortunate to receive core Welsh Government funding alongside a number of competitively tendered-for grants to support our work and to provide onward funding to frontline services. However, we have previously outlined that a continued issue for specialist services in the VAWDASV sector and beyond is short funding cycles. We have highlighted in several previous budgetary calls for evidence that the VAWDASV sector continues to face uncertainty because of a lack of secure and sustainable funding, and this uncertainty is exacerbated by the current economic climate. The impact of this insecurity on service delivery cannot be overstated. In particular, smaller, more specialist services such as sexual violence services, services by and for Black and minoritised ethnic women, Deaf and disabled women, and the LGBT+ community, and services supporting women with multiple support needs remain most at risk.

Little has changed since our most recent reports^{2,3} on the issues facing the VAWDASV sector, and our clear recommendations for a sustainable funding model for the sector – which we have consistently highlighted as critical within our last 6 state of the sector reports – have not yet been forthcoming. Sustainable funding should mean longer-term funding (at least three- to five-year funding cycles, as proposed for recipients of the Welsh Government Equality and Inclusion Grant⁴), cross-directorate budgetary commitment and high-quality, collaborative commissioning practices. We appreciate the work of the VAWDASV blueprint to include a workstream dedicated to a sustainable whole system approach, which includes sustainable commissioning, and we eagerly await the outcomes of the national consultation exercise. However, more clarity is needed from Welsh Government on the work of the group, how progress is being measured, what changes will be implemented and when the benefits of this will be felt by frontline services.

Over and above this, we have highlighted the postcode lottery that exists across Wales for many types of service. For example, our Duty to Support report, commissioned by Joyce Watson MS, identified a postcode lottery of services for children and young people across Wales, leading to some children reporting a significant impact on their ability to recover from abuse.

Further, while we welcome the Welsh Government's recent consultation on the public health approach to preventing gender-based violence, and the commitment to a whole society approach in the most recent VAWDASV Strategy, we highlighted in our response to the consultation that long-term, sustainable funding is crucial to implementing a public health approach, and that a lack of funding and resource means that investment has often focused on tertiary prevention measures. We believe that all forms of prevention of VAWDASV must not operate in isolation and there must be clear evidence within the

² <https://welshwomensaid.org.uk/wp-content/uploads/2022/11/Perfect-Storm-Report-ENG-compressed.pdf>

³ <https://welshwomensaid.org.uk/wp-content/uploads/2021/11/State-of-the-Sector-2021-ENG.pdf>

⁴ <https://www.gov.wales/consultation-future-funding-equality-and-inclusion-grant-programme.html>

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

allocation of the budget of a cross-jurisdictional strategic approach to tackling VAWDASV and to prevent duplicated or siloed working which will lead to an ineffective response to the scale of VAWDASV in Wales.

Ultimately, these issues leave specialist services and the VAWDASV sector as a whole in an extremely precarious financial position year on year, with this financial year as no exception, and the budget must commit to long-term thinking and joined-up working to properly tackle gender-based violence.

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

The impacts of increasing inflation and the cost-of-living crisis continue to impact survivors of VAWDASV acutely.

It is worth noting that although inflationary pressures are decreasing, this is not being felt by people in their everyday costs. According to a recent Office for National Statistics survey⁵ from August-September 2023, 51% of adults reported an **increase** in their cost of living compared to the previous month. This is likely to worsen with the end of large-scale financial support such as the Energy Price Guarantee, and the UK Government's cost of living payments.

Reports of financial and/or economic abuse continue to rise as a result of the cost-of-living crisis. Indeed, data from our membership of specialist domestic abuse and sexual violence services in Wales shows that between the 2021-22 and 2022-23 financial years, community-based services saw a 28% increase in survivor reports of financial abuse. This continues to be compounded by default joint Universal Credit payments and the two-child benefit cap, which we know prevent women from accessing independent finances and can trap survivors in abusive relationships.

Although economic abuse remains prevalent, support is still lacking. We welcomed the announcement⁶ by the UK Government that survivors of VAWDASV in England and Wales will be given direct payments to support them to leave abuse relationships. However, we note that this scheme is only in the pilot phase and we urge the Welsh Government to both lobby the UK Government to make this scheme permanent and to set up a similar crisis fund.

The cost-of-living crisis is also continuing to affect the sector more broadly. Many of our member organisations who provide direct services such as refuge continue to see significant increases in their day-

⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrendsgreatbritain/23augustto3september2023>

⁶<https://www.gov.uk/government/news/victims-fleeing-domestic-abuse-given-lifeline-payments>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

to-day running costs. This is exacerbated by inflexible funding that generally bases financial projections on last year's costs, meaning services are operating at sub-inflationary grant-based income, and have to recoup those costs from their own reserves. While many were able to access short-term emergency funding, much of this has ceased, leaving services in an unstable financial position.

– How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

It must be noted that the cost of accessing services is particularly high for survivors of VAWDASV in rural parts of Wales. Whilst our membership of specialist services covers the entirety of Wales, in rural parts of Wales, services are more likely to be further away from survivors, making it harder and more costly for them to access. This undoubtedly acts as a barrier to support, particularly for children and young people, disabled survivors, and older survivors.

We have previously highlighted⁷ that services are not funded consistently across all local authorities and while the Welsh Government's statutory guidance for the commissioning of VAWDASV services in Wales⁸ addresses this somewhat, it has not been updated in line with the new VAWDASV strategy and it is clear that regional variations in the commissioning of services still exist. Services are not funded consistently across all local authorities and the continued lack of a Wales-wide strategy makes it very difficult to identify gaps in provision.

One of the core aims of the VAWDASV (Wales) Act 2015 was to introduce a duty to implement local strategies to end the postcode lottery of services for survivors across Wales but this remains to be a problem, particularly for survivors in rural parts of Wales. We believe that clear funding in this draft budget to address regional disparities and guarantee parity of services provision across all local authorities in Wales is the only way to achieve Objective 6 of the VAWDASV strategy, which aims to provide all survivors with equal access to appropriately resourced, high-quality, needs-led, strengths-based, intersectional, and responsive services across Wales.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

⁷ <https://welshwomensaid.org.uk/wp-content/uploads/2021/12/WWA-response-to-Welsh-Government-Budget-2022-23.pdf>

⁸ <https://www.gov.wales/sites/default/files/publications/2019-05/statutory-guidance-for-the-commissioning-of-vawdasv-services-in-wales.pdf>

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

N/A

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

N/A

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Lack of access to financial resources remains to be a barrier to escaping all forms of violence against women, and this is an increasing issue with the rising cost of living. In a recent report⁹, Women's Aid Federation of England showed that almost all survivors surveyed (96%) reported a negative impact on the money available to them as a result of cost-of-living increases, two thirds (66%) of survivors reported that abusers were using the cost-of-living crisis as a tool for coercive control, and almost three quarters (73%) of survivors with financial links to the abuser said the cost-of-living crisis had either prevented them from leaving or made it harder to leave.

Further, evidence¹⁰ shows that financial hardship remains to be a barrier when seeking refuge space. Many women either sofa surf or spend time in emergency accommodation such as B&Bs while waiting for a refuge space, and findings from the Women's Aid No Women Turned Away Project¹¹ show that a small but notable number of women resort to rough sleeping, many of whom experience additional danger or abuse as a by-product. Many women (15.1%) also reported not having the financial resources to pay for essentials such as food for themselves and their children, phone bills, and transportation whilst waiting for refuge space.

Consequently, we believe more must be done by Welsh Government to ensure survivors who are living in relative income poverty have access to independent financial resources to allow them to leave abusive relationships and live independently. This includes encouraging the UK Government to make the flee fund permanent and to set up a similar crisis fund to support survivors in Wales more broadly.

⁹ <https://www.womensaid.org.uk/the-cost-of-living/>

¹⁰ <https://www.womensaid.org.uk/wp-content/uploads/2022/03/Financial-Hardship-report-FINAL.pdf>

¹¹ <https://www.womensaid.org.uk/wp-content/uploads/2021/09/Nowhere-to-Turn-2021.pdf>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

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

As we have previously highlighted¹², all forms of VAWDASV are rooted in and are expressions of unequal gender relations in society. These intersect with other forms of oppression such as sexism, ableism, racism, homophobia and transphobia and other factors such as age, ethnicity, class, sexuality, and disability, meaning these women experience VAWDASV in different, often more severe ways.

Whilst we welcome the Minister for Social Justice's response¹³ to the Equality and Social Justice Committee's report on the Draft Budget 2023-24 which guaranteed protected funding to tackle VAWDASV, and an allocation of £130k to the VAWDASV BEL, we wish to highlight our concerns at the reduction in other related policy areas. As outlined above, we are disappointed in the overall decrease to the social justice budget and the reduction in the equality, inclusion, and human rights budget. Violence against women is an expression of gender inequality and approaches to tackling VAWG must be truly intersectional, so we are concerned at the reduction in funds to other related policy areas which have a knock-on impact.

Similarly, Welsh Women's Aid welcomed the establishment of the Migrant Victims of Abuse Support Fund pilot scheme¹⁴, delivered by Bawso, in the last year. However, we wish to express our concerns that dedicated funding for this has not been allocated. The Equality and Social Justice committee¹⁵ noted that the last resort fund will be delivered from the VAWDASV BEL, with no additional money being made available. Consequently, already-stretched specialist services continue to be expected to deliver more without the appropriate additional funding and we urge the Welsh Government to establish a specific, ring-fenced fund for this vital scheme, and to establish the fund on a permanent basis to properly tackle gender inequality within public services for *all* women, including migrant women who are also survivors of abuse.

We have previously highlighted that a mixture of factors such as the COVID-19 pandemic, Brexit and the ongoing cost-of-living crisis impacts women disproportionately. The Women's Budget Group¹⁶ have highlighted that increases in cost of living hit the poorest hardest, and with lower levels of wealth and savings and less capacity to increase these, women inevitably feel this more acutely. This has an impact on all forms of VAWDASV, particularly financial and economic abuse, which have increased since the onset

¹² <https://welshwomensaid.org.uk/wp-content/uploads/2022/12/WW267A1.pdf>

¹³ <https://senedd.wales/media/jxfdn0nh/cr-ld15648-e.pdf>

¹⁴ <https://www.gov.wales/written-statement-migrant-victim-abuse-support-fund-pilot>

¹⁵ <https://senedd.wales/media/jxfdn0nh/cr-ld15648-e.pdf>

¹⁶ <https://wbg.org.uk/wp-content/uploads/2022/03/The-gendered-impact-of-the-cost-of-living-crisis.pdf>

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

of the cost-of-living crisis. The Welsh Government must directly consider ways in which the budget can address gender inequality in order to provide parity of outcomes for women, particularly those who are survivors of domestic abuse and sexual violence.

Relatedly, we believe that in order to properly tackle gender inequality, Welsh Government must fully commit to implementing gender budgeting as suggested in the Gender Equality Review. We welcome the progress made to date, but it remains too slow and must be implemented to ensure policy does not disproportionately impact women. We are particularly concerned at the recent news that leading gender equality charity Chwarae Teg will cease to operate, and we urge the Welsh government to redistribute funds to gender equality projects and to continuing the vital work that Chwarae Teg, alongside the Wales Women's Budget Group, were undertaking on gender budgeting.

– Is the Welsh Government's approach to preventative spending 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 referred to violence against women as a 'major public health problem and a violation of women's human rights'¹⁷.

Typically, strategies to prevent VAWDASV have focused on risk reduction, which is seen in the commissioning of services. Funders often look for novel, intervention-based approaches, with outcomes focusing on case load and risk reduction. Whilst we appreciate the need for these approaches for those that do come in to contact with specialist services, such funding should not come at the expense of a preventative approach because it does not tackle VAWG at its root cause. As outlined above, a public health approach which focuses on early intervention and prevention using the Change that Lasts approach is key to ensuring long-term change and the ultimate eradication of violence against women and girls.

We believe that the Welsh Government is making positive in-roads in terms of preventative spending, for example, by funding Ask and Act and Trusted Professional training, which aim to ensure that survivors receive helpful responses from the moment a disclosure is made. However, we believe this could be rolled out more widely to ensure that every interaction between survivors and the relevant professionals, such as staff in housing associations, GP surgeries, public transport, and food banks, counts and effective responses are guaranteed.

As highlighted in the question, not only does investing in early intervention prevent violence against women and girls from happening, it also saves public funds by reducing the pressure on public services.

¹⁷ <https://www.who.int/news-room/fact-sheets/detail/violence-against-women>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

Recent evidence¹⁸ from Women's Aid showed that every £1 invested in domestic abuse services represents a £9 saving to the public purse. Given that a mixture of increases in demand and escalating budget cuts means public services are stretched beyond their capacity, we believe that Welsh Government must do even more to prioritise spending on VAWDASV prevention.

– How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

We believe that there is much for Welsh Government to work on with regards to transparency in funding decisions.

Firstly, it is imperative that in order to guarantee joined-up working, there is improved clarity of spending within specific business expense lines (BELs). Although the total amount of spend dedicated to VAWDASV is clear, it is hard to find further, more specific breakdowns of spend within strategic aims, so it is difficult for us to scrutinise whether budget is being allocated in the most effective manner. It is also not clear how funding decisions are made with regards to cross-directorate spending. VAWDASV is a national priority and requires joined up working across all BELS. It is clear that some of the work within the strategic priority is funded from multiple areas and where and where this is occurring could be much clearer.

Secondly, we believe there must be improved oversight of commissioning structures. We welcomed the publication of the Statutory Guidance for the Commissioning of VAWDASV Services¹⁹. However, since its publication in 2019, there have been no regular updates as to the impact of this guidance or future work around service commissioning. The Home Office National Statement of Expectations for VAWG Services²⁰ was updated in March 2022 and Welsh Government must make sure that sufficient funding is in place for Wales to align with this in order to ensure all local areas have sufficient, local, specialist VAWG provision, including specialist services for those who face the greatest barriers when accessing support as well as dedicated 'by and for' services.

Finally, there are a number of omissions at present. The Welsh Government must clearly set out how spending corresponds to all strands of the VAWDASV Strategy and what financial preparations are being made to develop the next strategy. Further, to our knowledge, no substantive progress has been made to ensure resilience within the sector. It is important to consider how such resilience will be demonstrated

¹⁸ https://www.womensaid.org.uk/wp-content/uploads/2023/02/Respublica_web.pdf

¹⁹ <https://www.gov.wales/sites/default/files/publications/2019-05/statutory-guidance-for-the-commissioning-of-vawdasv-services-in-wales.pdf>

²⁰ <https://www.gov.uk/government/publications/violence-against-women-and-girls-national-statement-of-expectations-and-commissioning-toolkit>

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

in the face of, for example, further inflation, and what financial precautions Welsh Government are taking to ensure VAWDASV remains a financial and strategic priority in the face of these crises.

– How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

As outlined above.

– How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

N/A

– Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

A continued issue for specialist domestic abuse and sexual violence services is pay discrepancy between staff in statutory and non-statutory services. In our response to last year's call for evidence²¹, we highlighted the issue of staff retention for third sector specialist services and pay disparity, and the problem continues. Internal analysis conducted by Welsh Women's Aid has shown that, for example, the average salary for an IDVA/IPA in a specialist service is £22,770 whereas in a statutory service, this is £25,932. Given the tight budget constraints under which specialist services are working due to inadequate funding mechanisms, they have less flexibility to match wages or provide permanent contracts and they are losing experienced staff as a result. Further, cuts to local authority budgets mean core services are increasingly being provided by specialist, third sector services, but their funding is not increasing accordingly, which is further contributing to inequality in provision across different regions based on local strategic priorities.

Additionally, in a number of briefings made available to the Welsh Government, we have highlighted our concerns around the impact of the Renting Homes (Wales) Act and the consequences of this on staff time in both specialist services and local authorities. In a Local Government and Housing Committee Session²² on 16th November 2022, issues with high demand and staff turnover on local authority housing teams were highlighted, as well as the need to increase administrative capacity. The administrative load

²¹ <https://welshwomensaid.org.uk/wp-content/uploads/2022/12/WW267A1.pdf>

²² <https://record.senedd.wales/Committee/13040>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

accompanying the Renting Homes (Wales) Act will have further exacerbated this and has not been accompanied by sufficient resources for local authorities to increase their staff levels accordingly.

Finally, we wish to re-iterate our concerns around the focus on innovative support in this question, alongside the need to maintain consistent funding for core services across both the public and third sectors. Increasingly, specialist services are being required to enter competitive tender bids for funding to deliver novel programmes and interventions, and whilst we appreciate the importance of diverse programmes of support and piloting new approaches, this often leaves services less able to resource core services and share best practice based on common experiences and approaches. We believe such programmes must occur in addition to rather than in lieu of funding for tried and tested, evidence-based, core services from trusted providers.

Combined, we believe these examples show that Welsh Government is not providing adequate support to either the public or third sectors to allow for sufficient forward workforce planning.

– Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

N/A

– Is there enough infrastructure investment targeted at young people?

In our previous responses to these calls for evidence we have highlighted the existing postcode lottery of specialist services for children and young people affected by VAWDASV across Wales. In our report, A Duty to Support²³, we found that despite roughly 1 in 5 children in Wales experiencing domestic abuse, only a small percentage receive support from specialist VAWDASV services, and only three out of 20 local authorities in Wales that responded to our freedom of information request had a designated children and young people scrutiny committee to examine the need for specialist support for children and young people.

Many of our member services deliver excellent support and intervention for children and young people affected by VAWDASV, however, many refuge services still have no dedicated funding for children and young people workers, where they do have children and young people workers, funding restrictions means they are paid substantially less than their counterparts in statutory services, and provision remains extremely limited in comparison to the scale of the population in terms of services' area coverage and the

²³ <https://welshwomensaid.org.uk/wp-content/uploads/2022/06/CYP-FOI-Report-ENG-WWA.pdf>





Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

prevalence of VAWDASV both directly perpetrated against children and young people and to which they are witness.

We appreciate the effort made in the recent VAWDASV strategy to acknowledge children and young people's needs, including the setting up of the children and young people workstream within the VAWDASV Blueprint approach and the research currently underway to understanding the existing evidence and provision available for children and young people²⁴. However, progress in this area is far too slow, particularly given we have previously highlighted many of the gaps in provision²⁵, and this work must be accompanied by strategic, ringfenced investment in support and services for children and young people.

– How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

We wish to re-iterate our concerns around the many forms and manifestations of VAWDASV that still lack large-scale, robust evidence or data, particularly Wales-specific data, and we urge the Welsh Government to invest resource to understand the scale of these and allocate budgets accordingly.

These include, but are not limited to:

- Older people
- Children and young people, particularly surrounding child to adolescent parent violence and high-quality evidence centring the voice of children in Wales, particularly those with care experience
- Those with no recourse to public funds (NRPF)
- Sexual exploitation, particularly survivors of adult sexual exploitation (ASE). Notably, in a recent report²⁶ requested by the All-Wales Operational Group on Sexually-Exploited Women (AWOGSEW), convened by Welsh Women's Aid, freedom of information requests revealed that 75% of statutory agencies do not collect data on the number of adults who had experienced or were at risk of experiencing sexual exploitation. Where agencies did collect this data, it showed that between 2019 and 2022, 404 adults had been supported after experiencing sexual exploitation
- Communities in rural areas in Wales
- Protected characteristics, particularly the impact of VAWDASV and accessibility of support services for Deaf/disabled people, LGBTQ+ people and those from Black and minoritised communities
- Survivors who have experienced homelessness

²⁴ <https://www.gov.wales/progress-against-blueprint-high-level-action-plan-2023-html#132966>

²⁵ <https://welshwomensaid.org.uk/wp-content/uploads/2022/06/CYP-FOI-Report-ENG-WWA.pdf>

²⁶ <https://welshwomensaid.org.uk/wp-content/uploads/2023/11/Operational-Group-FOI-Report.pdf>

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

- Speakers of other languages, particularly with regards to the investment needed to conduct high-quality research with interpreters and evidence that much of the terminology surrounding VAWDASV either does not translate directly or does not exist at all in many other languages

We acknowledge that the VAWDASV Blueprint workstreams are currently undertaking a number of mapping exercise to determine the evidence that exists and the support available, but we urge the Welsh Government to also commit funding to evidence areas where there are gaps in literature and provision, in order to ensure evidence-based and data-driven policy making across all areas.

– 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?

No. As previously highlighted in other areas of this response, third sector domestic abuse and sexual violence services are facing increasing pressure in terms of both demand for services and increased costs while many aspects of their funding are remaining stagnant or seeing sub-inflationary increases. This means that services with increasingly diminishing reserves are continuously being asked to cover these bills while not being able to recoup costs.

We appreciate that the Welsh Government is operating in extremely difficult financial circumstances which have been compounded by over a decade of austerity and unforeseen economic events which have led to increasing cuts. However, it must be noted that specialist services have been underfunded for many years, since long before the COVID-19 pandemic, and the cumulative crises have simply exacerbated this situation.

It should also be noted that specialist services welcomed the additional funding provided by Welsh Government before during the pandemic and at the onset of the current cost-of-living crisis, however, the majority of services continue to see increase in demand despite the funding coming to an end. We urge Welsh Government to take learning from these crises and to develop a longer-term plan to sustainably and flexibly fund the sector to make it more resilient to changes in demand and future crises.

We also wish to express our concern around the logistic of funds provided from Welsh Government to specialist services. We have reports from a number of specialist services, including ourselves, of notable delays to grant payments and substantive payments being made in arrears, including for large-scale investments such as property. Where this happens, services have to use reserves to front-end payments which can limit their ability to fund core services, expand projects, and make long-term financial projections. We urge Welsh Government to immediately review their financial processes to ensure payments are made promptly and in advance.

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government



Llinell Gymorth Live Fear
Byw Heb Ofn Free Helpline
0808 80 10 800
ffôn • tecst • 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

– 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?

We believe the Welsh Government is at a critical time in their work to prevent all forms of violence against women and children and we have a number of key recommendations to help them better deliver against the VAWDASV National Indicators and the Wellbeing of Future Generations Act:

1. Commit to ensuring VAWDASV as a national priority, embedding intervention and prevention for all survivors across all directorates. This includes updating the National Indicators, as promised, to properly evaluate the impact of policy and funding choices.
2. Ensure funding for the VAWDASV sector is sustainable and contains ringfenced funding for specialist and 'by and for' organisations. This includes commitment to longer funding cycles, of a minimum 3-5 years.
3. Commit to inflation-linked funding for specialist services to ensure basic amenities can be covered.
4. Provide funding for specialist services that enable them to offer parity of employment conditions as those in statutory roles.
5. Commit to funds within contracts for specialist services dedicated to staff development and wellbeing.
6. Develop a funding system that reduces time-consuming and competitive tendering and focuses on genuine collaboration.
7. Increase the availability of varied flexible accommodation and support for survivors.
8. Increase the availability of all support services, particularly those for migrant survivors, children and young people, older people, and survivors of sexual exploitation.
9. Commit ringfenced funding for a multi-tier of accredited perpetrator interventions.
10. Make the Welsh Government Migrant Victim of Abuse Support Fund permanent and provide ring-fenced funding within the budget for this.
11. Focus on funding core, evidence-based, tried-and-tested services as well as innovative programmes of support.
12. Expand funding for early intervention and prevention.
13. Ensure dedicated children and young people workers in both refuge and community services are available 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.

All of these require properly funded, sustainably commissioned specialist services and we urge Welsh Government to take this opportunity to develop a progressive budget, committed to equality and making Wales free from all forms of gender-based violence.

Pendragon House, Caxton Place | Pentwyn, Cardiff | CF23 8XE
Tel: 02920 541551
info@welshwomensaid.org.uk | www.welshwomensaid.org.uk

Welsh Women's Aid is a registered charity in England and Wales, No. 1140962
and a company limited by guarantee registered in England and Wales, No. 07483469



Llywodraeth Cymru
Welsh Government

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 24: Ymateb gan: Coleg Cymraeg Cenedlaethol | Response from: Coleg Cymraeg Cenedlaethol





Coleg
Cymraeg
Cenedlaethol

Y Llwyfan
Heol y Coleg
Caerfyrddin
SA31 3EQ

E-bost:

gwybodaeth@colegcymraeg.ac.uk

Coleg Cymraeg
Cenedlaethol

Ffôn:
01267 610400

Cyfeiriad e-bost: SeneddCyllid@Senedd.Cymru

30 Tachwedd 2023

Annwyl Bwyllgor,

Cyf: Galwad am wybodaeth – cynigion ynghylch Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25

Diolch yn fawr iawn am y cyfle i ymateb i'r ymgynghoriad ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2024-25.

Mae'r Coleg Cymraeg yn creu cyfleoedd hyfforddi ac astudio yn y Gymraeg drwy weithio gyda cholegau addysg bellach, prifysgolion, darparwyr prentisiaethau a chyflogwyr. Ryn ni'n ysbrydoli ac yn annog pawb i ddefnyddio'u sgiliau Cymraeg. Nod y Coleg yw adeiladu system addysg a hyfforddiant Cymraeg a dwyieithog sy'n agored i bawb ac i ddatblygu gweithluoedd dwyieithog.

Bydd ein hymateb i'r ymgynghoriad yn canolbwyntio ar yr elfennau hynny o'r Gyllideb sy'n berthnasol i gylch gorchwyl y Coleg.

Addysg uwch

Sefydlwyd y Coleg yn 2011 ac erbyn hyn mae darpariaeth helaeth yn y Gymraeg ac yn ddwyieithog wedi ei ddatblygu ar draws pob prif bwnc a ddarperir ym mhrifysgolion Cymru. Bellach mae dros 7,200 o fyfyrwyr yn astudio rhywfaint o'u cwrs gradd trwy gyfrwng y Gymraeg sy'n 28% o'r holl siaradwyr Cymraeg mewn prifysgolion yng Nghymru.

Mae Cynllun Academaidd diweddaraf y Coleg yn amlinellu ein cynlluniau ar gyfer y cyfnod nesaf ac un o'r prif amcanion ydy denu cynulleidfaoedd newydd i addysg uwch Cymraeg a dwyieithog gan gynnwys y rheiny sy'n llai hyderus yn defnyddio'u Cymraeg. Mae 20,000 o siaradwyr Cymraeg yn astudio mewn prifysgol yng Nghymru ac mae'r Coleg wrthi'n datblygu cynlluniau i ddenu rhagor ohonynt i astudio rhan o'u cwrs yn Gymraeg. Mae'n gwbl allweddol bod y Coleg yn derbyn y cyllid a ragwelwyd i gefnogi'r gwaith pwysig hwn yn ogystal â diogelu'r ddarpariaeth sydd eisoes wedi eu sefydlu.

Addysg bellach a phrentisiaethau

Yn 2018 derbyniodd y Coleg gyfrifoldeb am addysg bellach a phrentisiaethau ac rydym wrthi'n gweithredu cynlluniau uchelgeisiol i ddatblygu'r ddarpariaeth i bob dysgwr yn y sectorau hyn, beth bynnag eu sgiliau Cymraeg. Mae cynnydd amlwg wedi digwydd yn y gweithgareddau dysgu gydag elfen o Gymraeg yn y sector ôl-16 ers i'r Coleg dderbyn cyfrifoldeb dros fuddsoddi mewn staff, darpariaeth ac adnoddau newydd fel a welir yn y tabl islaw:

Gweithgareddau dysgu gydag o leiaf elfen Gymraeg:

Blwyddyn	Addysg bellach	Dysgu yn y gweithle
2017/18	7.3%	10.3%
2018/19	8.7%	11.9%
2019/20	8.8%	13.0%
2020/21	14.7%	20.8%
2021/22	18.2%	25.3%

Ffynhonnell data: [Cymraeg 2050: Miliwn o siaradwyr – Adroddiad blynyddol 2022/23 \(llyw.cymru tud.24\)](#)

Mae'n amlwg o'r data bod momentwm wedi dechrau datblygu bellach tuag at gynyddu darpariaeth Cymraeg a dwyieithog, a bod y colegau addysg bellach a'r darparwyr prentisiaethau wedi ymateb yn dda hyd yn hyn i'r her i wreiddio'r Gymraeg ar draws y sector. Er mwyn sicrhau bod y momentwm yn parhau a bod y twf yn digwydd mewn modd sy'n gynaliadwy, mae'n allweddol bod y cyllid gan Lywodraeth Cymru yn parhau ac yn cynyddu dros y blynyddoedd i ddod.

Cyllido addysg drydyddol Cymraeg a dwyieithog

Cyllido addysg bellach a phrentisiaethau cyfrwng Cymraeg a dwyieithog

2% o gyllideb addysg bellach Llywodraeth Cymru sy'n cael ei wario ar ddarpariaeth addysg bellach a phrentisiaethau cyfrwng Cymraeg a dwyieithog, tra bod siaradwyr Cymraeg yn cynrychioli 24% o'r dysgwyr. Mae Cynllun Gweithredu Addysg Bellach a Phrentisiaethau Cymraeg a dwyieithog y Coleg Cymraeg a'r Llywodraeth yn targedu *pawb* yn y sector, beth bynnag eu sgiliau Cymraeg.

Cyllido addysg uwch cyfrwng Cymraeg

3% o gyllideb addysg uwch Llywodraeth Cymru sy'n cael ei wario ar ddarpariaeth addysg uwch cyfrwng Cymraeg a dwyieithog (nid yw hyn yn cynnwys cyllideb Cynhaliaeth i Fyfrwyr) tra bod siaradwyr Cymraeg yn cynrychioli 14% o'r myfyrwyr mewn prifysgolion yng Nghymru.

Mae trafodaethau wedi ac wrthi'n digwydd gyda Llywodraeth Cymru a'r gwrthbleidiau ynglŷn â'r angen i fuddsoddi yn natblygiad y Gymraeg yn y sector addysg bellach, prentisiaethau ac addysg uwch er mwyn gwireddu amcanion Strategaeth Cymraeg 2050. Mae sicrhau cyfleoedd i bobl barhau i feithrin a datblygu eu sgiliau Cymraeg wedi iddynt adael yr ysgol, a'u paratoi ar gyfer gweithio mewn gweithleoedd dwyieithog, yn gwbl allweddol os am wireddu'r nod o fwrw'r miliwn a dyblu'r defnydd dyddiol o'r iaith yn ein cymunedau.

Derbyniwyd cynnydd pwrpasol i gyllideb y Coleg Cymraeg yn ystod 2022-23 a 2023-24 gan y Llywodraeth, trwy'r Cytundeb Cydweithio, yn benodol ar gyfer cynnydd staffio a darpariaeth yn y sector ôl-16, ac i weithredu dau brosiect yn y maes addysg gychwynnol athrawon – agenda sy'n bwysig iawn o ystyried y prinder yn y nifer sy'n hyfforddi bob blwyddyn i ddysgu yn y sector Gymraeg a Saesneg.

Ym mis Rhagfyr 2022, derbyniwyd rhagolygon cyllidebol ar gyfer cynnydd ychwanegol yn 2024-25 [a cadarnhawyd hyn mewn llythyr gan Weinidog y Gymraeg ac Addysg at y Pwyllgor Plant](#). Mae'r ymrwymiad hefyd yn gyson gydag ymrwymadau'r Llywodraeth yn ei Raglen Lywodraeth ar gyfer y tymor hwn, a hefyd, gyda chynnwys y Cytundeb Cydweithio rhwng y Llywodraeth a Phlaid Cymru:

1. **Rhaglen Lywodraethu 2021-2026:**

"Ehangu rôl y Coleg Cymraeg Cenedlaethol a'r Ganolfan Dysgu Cymraeg Genedlaethol, a chynnyddu'r cyllid ar eu cyfer."

2. **Cytundeb Cydweithio Llywodraeth Cymru a Phlaid Cymru:**

"Ehangu rôl y Coleg Cymraeg Cenedlaethol a'r Ganolfan Dysgu Cymraeg Genedlaethol, a chynnyddu'r cyllid ar eu cyfer."

3. **Rhaglen Waith Cymraeg 2050, 2021-2026:**

"Mae gan y Coleg Cymraeg Cenedlaethol a'r Ganolfan Dysgu Cymraeg Genedlaethol ill dau rol hanfodol i'w chwarae yn yr ymdrech i gaffael a dysgu'r Gymraeg.

15. Ehangu rol y Ganolfan Dysgu Cymraeg Genedlaethol i gefnogi dysgu'r Gymraeg mewn ysgolion cyfrwng Saesneg a darparu llwybr dysgu iaith o'r ysgol i addysg ol-orfodol, mewn cydweithrediad a'r consortia rhanbarthol ac awdurdodau lleol.

16. Ehangu rol y Coleg Cymraeg Cenedlaethol, a datblygu cynigion ar gyfer y Bil Addysg Cyfrwng Cymraeg i'w roi ar sail statudol.

17. Rhoi cyllid ychwanegol dros 5 mlynedd i'r Coleg Cymraeg Cenedlaethol er mwyn ehangu darpariaeth cyfrwng Cymraeg mewn addysg bellach, prentisiaethau ac addysg uwch.

18. Datblygu, ar y cyd gyda'r Coleg Cymraeg Cenedlaethol, dargedau i gynyddu dilyniant ieithyddol rhwng addysg statudol ac addysg bellach a phrentisiaethau.

19. Cynyddu dysgu, asesu a dilyniant drwy gyfrwng y Gymraeg drwy sefydlu'r Comisiwn Addysg Drydyddol ac Ymchwil newydd, drwy'r Bil Addysg Drydyddol ac Ymchwil (Cymru) arfaethedig, gyda dyletswyddau strategol yn gysylltiedig a hyrwyddo addysg drydyddol cyfrwng Cymraeg."

Sefydlu'r Comisiwn Addysg Drydyddol ac Ymchwil

Gyda sefydlu'r Comisiwn Addysg Drydyddol ac Ymchwil newydd, a'r dyletswyddau statudol fydd ganddo dros hyrwyddo ymchwil a darpariaeth Cymraeg, rhaid sicrhau bod y momentwm nid yn unig yn parhau ond bod y disgwyliadau ar y sector drydyddol o ran y Gymraeg a dwyieithrwydd yn cynyddu.

Dynodwyd y Coleg gan Weinidogion Cymru i ddarparu cyngor i'r Comisiwn o 1 Ebrill 2024 ac mae hyn yn gam allweddol ymlaen. Mae trafodaethau cychwynnol rhwng swyddogion y Comisiwn a swyddogion y Coleg wedi bod yn gadarnhaol ac edrychwn ymlaen at ffurfioli'r berthynas rhwng y ddau gorff. Bydd y dyletswyddau sydd gan y Comisiwn yn arwain at gynyddu'r disgwyliadau ar y sector gyfan i wneud cynnydd ystyrlon yn natblygiad y Gymraeg a thra bod hynny i'w groesawu, mae'n rhaid sicrhau bod y datblygiadau yn cael eu cyllido'n ddigonol.

Y Bil Addysg Gymraeg arfaethedig

Datblygiad polisi allweddol arall sy'n effeithio'r sectorau trydyddol oedd cyhoeddi'r Papur Gwyn ar gyfer Bil Addysg Gymraeg. Mae'r Coleg wedi cefnogi prif amcanion y Papur Gwyn ac edrychwn ymlaen i chwarae rhan lawn mewn trafodaethau i sefydlu strwythurau a fframwaith ddeddfwriaethol gadarn i gefnogi'r cynnydd y mae'r Llywodraeth yn dymuno ei weld. Yn y sefyllfa economaidd bresennol mae'n fwy pwysig nag erioed bod pob opsiwn ar gyfer strwythurau cefnogi yn cael eu hystyried yn llawn, gan gynnwys yr opsiwn i rannu neu uno adnoddau a gwasanaethau ble maent eisoes yn bodoli. Fel a nodwyd yn ein hymateb i'r Papur Gwyn, mae'r Coleg yn agored iawn i drafod yr holl opsiynau hyn gyda'r Llywodraeth ac eraill.

Edrychwn ymlaen at barhau gyda'n trafodaethau gyda'r Llywodraeth ac aelodau'r pwyllgorau perthnasol yn Senedd Cymru i sicrhau bod yr agenda allweddol hon yn derbyn blaenoriaeth haeddianol yng Nghyllideb Ddrafft y Llywodraeth ar gyfer 2024-25 a thu hwnt.

Am ragor o wybodaeth mae croeso i chi gysylltu gyda Gwenllian Griffiths, Prif Swyddog Ymgysylltu'r Coleg ar g.griffiths@colegcymraeg.ac.uk.

Yn gywir,



Dr Ioan Matthews
Prif Weithredwr

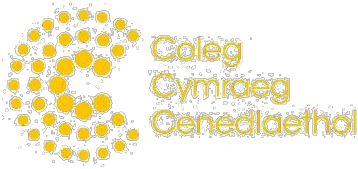
cc. Y Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon a Chysylltiadau Rhyngwladol (SeneddDiwylliant@Senedd.Cymru) a'r Pwyllgor Plant, Pobl Ifanc ac Addysg y Senedd (SeneddPlant@Senedd.Cymru)

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 24: Ymateb gan: Coleg Cymraeg Cenedlaethol | Response from: Coleg Cymraeg Cenedlaethol





Coleg Cymraeg
Cenedlaethol

Y Llwyfan
College Road
Carmarthen
SA31 3EQ

Tel:
01267 610400

Email:

gwybodaeth@colegcymraeg.ac.uk

E-mail address: SeneddCyllid@Senedd.Cymru

30 November 2023

Dear Committee,

Ref: Call for information – the Welsh Government's Draft Budget proposals 2024-25

Thank you very much for the opportunity to respond to the consultation on the Welsh Government's Draft Budget for 2024-25.

Coleg Cymraeg Cenedlaethol works with further education colleges, universities, apprenticeship providers and employers to create opportunities to train and study through the medium of Welsh. We inspire and encourage everyone to use their Welsh skills. The Coleg's aim is to build a Welsh and bilingual education and training system that is accessible to all and to develop bilingual workforces.

Our response to the consultation will focus on those elements in the Budget that are relevant to the Coleg's terms of reference.

Higher education

The Coleg was established in 2011, and extensive Welsh-language and bilingual provision has now been developed in all major subjects delivered at Welsh universities. There are now over 7,200 students studying part of their degree courses through the medium of Welsh, which equates to 28% of all Welsh speakers at Welsh universities.

The Coleg's latest Academic Plan outlines our intentions for the next phase, with one of the main aims being to attract new audiences to Welsh and bilingual higher education, including those who are less confident using Welsh. There are 20,000 Welsh speakers studying at Welsh universities and the Coleg is currently developing plans to attract more of them to study part of their courses in Welsh. It is absolutely vital that the Coleg receives the anticipated funding to support this important work and to safeguard its existing provision.

Further education and apprenticeships

In 2018, the Coleg was given responsibility for further education and apprenticeships, and we are currently implementing ambitious plans to develop the

provision for every learner in these sectors, regardless of their Welsh-language skills. There has been clear progress made in the area of learning activities with an element of Welsh in the post-16 sector since the Coleg was given the responsibility for investing in new staff, provision and resources, as shown in the table below:

Learning activities with at least one Welsh element:

Year	Further education	Workplace learning
2017/18	7.3%	10.3%
2018/19	8.7%	11.9%
2019/20	8.8%	13.0%
2020/21	14.7%	20.8%
2021/22	18.2%	25.3%

Data source: [Cymraeg 2050: a million Welsh speakers – Annual report 2022/23 \(gov.wales p.24\)](#)

It is clear from the data that momentum has now begun to develop towards increasing Welsh and bilingual provision, and that further education colleges and apprenticeship providers have so far responded well to the challenge of embedding Welsh across the sector. In order to ensure continued momentum and sustainable growth, it is vital that we see Welsh Government funding continue and increase over the coming years.

Funding Welsh and bilingual tertiary education

Funding Welsh-medium and bilingual further education and apprenticeships

Some 2% of the Welsh Government's further education budget is spent on further education provision and Welsh-medium and bilingual apprenticeships, while Welsh speakers represent 24% of learners. The Action Plan for Welsh-medium and bilingual Further Education and Apprenticeships by the Coleg and the Welsh Government targets *everyone* in the sector, regardless of their Welsh skills.

Funding Welsh-medium higher education

Some 3% of the Welsh Government's higher education budget is spent on Welsh-medium and bilingual higher education provision (this does not include the Student Maintenance budget), while Welsh speakers represent 14% of students at Welsh universities.

Discussions have been held and are continuing with the Welsh Government and opposition parties about the need to invest in developing the Welsh language in the further education, apprenticeships and higher education sector to achieve the objectives of the Cymraeg 2050 Strategy. It is absolutely vital to ensure opportunities for people to continue to build and develop their Welsh language skills after leaving school, and to prepare them to work in bilingual workplaces, if the goals of having a million Welsh speakers and doubling the daily use of Welsh in our communities are to be reached.

The Government made targeted increases to the Coleg's budget during 2022-23 and 2023-24, as part of the Co-operation Agreement, specifically to increase staffing and provision in the post-16 sector, and to implement two initial teacher education projects – an extremely important agenda given the lack of people training each year to teach in the Welsh and English sector.

In December 2022, forecasts were received for further budget increases in 2024-25 [and this was confirmed in a letter from the Minister for Education and Welsh Language to the Children's Committee](#). The commitment is also consistent with the Government's commitments in its current Programme for Government, and with the Co-operation Agreement between the Government and Plaid Cymru:

1. [Programme for Government 2021-2026](#):

“Expand the role of and increase funding to the Coleg Cymraeg Cenedlaethol and the National Centre for Learning Welsh.”

2. [Welsh Government and Plaid Cymru Co-operation Agreement](#):

“Expand the role of and increase funding to the Coleg Cymraeg Cenedlaethol and the National Centre for Learning Welsh.”

3. [Cymraeg 2050 Work Programme, 2021-2026](#):

“The Coleg Cymraeg Cenedlaethol and the National Centre for Learning Welsh both have important roles to play in Welsh language acquisition and learning...

15. In collaboration with the regional consortia and local authorities, expand the role of the National Centre for Learning Welsh to support the teaching of Welsh in English-medium schools and provide a language learning pathway from school to post-compulsory education.

16. Expand the role of the Coleg Cymraeg Cenedlaethol, and develop proposals for the Welsh-medium Education Bill to place the Coleg on a statutory footing.

17. Provide additional funding over 5 years to the Coleg Cymraeg Cenedlaethol to expand Welsh-medium provision in further education, apprenticeships and higher education.

18. In conjunction with the Coleg Cymraeg Cenedlaethol, develop targets to increase linguistic progression between statutory and further education and apprenticeships.

19. Increase learning, assessment and progression through the medium of Welsh by establishing the new Tertiary Education and Research Commission, through the proposed Tertiary Education and Research (Wales) Bill, with strategic duties associated with promoting Welsh-medium tertiary education.”

Establishing the Commission for Tertiary Education and Research

With the establishment of the new Commission for Tertiary Education and Research, and the statutory duties it will have for promoting Welsh-language research and provision, it is vital to ensure not only that momentum keeps building, but that the expectations for the tertiary sector, in terms of Welsh-language and bilingual provision, also grow.

The Coleg was designated by the Welsh Ministers to provide advice to the Commission from 1 April 2024, and this is a key step forward. Initial discussions between Commission and Coleg officials have been positive, and we look forward to formalising the relationship between the two bodies. The duties held by the Commission will lead to increasing expectations on the sector as a whole to make meaningful progress in the development of the Welsh language and while that is welcome, it is critical that the developments are adequately funded.

The proposed Welsh Language Education Bill

Another key policy development affecting the tertiary sectors was the publication of the White Paper on the Welsh Language Education Bill. The Coleg has supported the main objectives of the White Paper and we look forward to playing a full role in discussions to establish a robust legislative structure and framework to support the progress that the Government wishes to see. In the current economic climate, it is more important than ever that all options for support structures are fully considered, including the option to split or merge resources and services where they already exist. As set out in our response to the White Paper, the Coleg is very open to discussing all of these options with the Government and others.

We look forward to continuing our discussions with the Government and members of the relevant Senedd committees to ensure that this important agenda is given the priority it deserves in the Government's Draft Budget for 2024-25 and beyond.

For further information, please contact Gwenllian Griffiths, Coleg Cymraeg Cenedlaethol's Chief Engagement Officer at g.griffiths@colegcymraeg.ac.uk.

Yours sincerely,



Dr Ioan Matthews
Chief Executive

cc. The Senedd Culture, Communications, Welsh Language, Sport, and International Relations Committee (SeneddCulture@Senedd.Wales) and Children, Young People and Education Committee (SeneddChildren@Senedd.Wales)

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 25: Ymateb gan: Undeb Prifysgol a Choleg Cymru (Saesneg yn unig) |
Response from: University and College Union Wales (English Only)





Unit 33
The Enterprise Centre
Tondu, Bridgend
CF32 9BS

Telephone/Ffon 01656 721951
Fax/Ffacs 01656 723834
Email/Ebost bridgend@ucu.org.uk

30 November 2023

Email Only

Submission: A call for information – Welsh Government Draft Budget proposals for 2024-25

The University and College Union (UCU Wales) represents almost 7,000 academics, lecturers, trainers, instructors, researchers, managers, administrators, computer staff, librarians, and postgraduates in universities, colleges, adult education and training organisations across Wales. UCU Wales is a politically autonomous but integral part of UCU, the largest post-school union in the world. We welcome this opportunity to respond to the Committee's call for information.

Acknowledging the severe budgetary constraints emanating from Westminster, UCU Wales notes that this is not the first occasion upon which we have responded to a draft budget under conditions of crisis.

Throughout the Covid Pandemic, UCU Cymru commended Welsh Government for its action focused and collaborative approach. Moreover, as the public health emergency receded, we were excited to engage with an equality led recovery and reform process in which the value of education and the needs of the community took centre stage.

Drawing some inspiration from what might now seem like happier times, UCU Cymru remains committed to harnessing the diverse expertise of its members in delivering Welsh Governments economic, social and environmental ambitions.

However, to deliver upon its aspirations, Government must take action to ensure that the profession is supported through curriculum and qualification reform. Similarly, whereas distance was mediated by digital proximity in the last crisis, investing in social partnership not only serves to minimise conflict but can also liberate innovation.

Finally, UCU Cymru believes that everybody should be enabled to access the transformational power of education. Consequently, it is essential that provision for adult education is not raided as in previous years. Rather, we need to identify opportunities for new synergies which can widen access whilst targeting those in the greatest need.

1: Maintaining Pay Parity with Teachers

The 2016 decision to link college lecturers pay to that of teachers has delivered discernible benefits across the sector.

Not only has it ensured a long period of relative industrial peace but has also offered stability in terms of mid- and long-term financial planning.

If we are to tackle recruitment bottlenecks whilst adapting to various sector reforms, it is essential that we attract and retain the brightest and the best. Consequently, government must resist any temptation to decouple the pay of teachers and lecturers.

2: Workload & Professional Learning

The sector response to Covid 19 witnessed unprecedented workforce collaboration. Acknowledging that much of the knowledge and expertise sits with our members, Government has since sought to fund several projects to further develop the conditions for professional learning.

However, whether it be establishing action research as a currency for excellence or adapting the techniques of digital and blended learning to novel pedagogies, we need to create space in workload.

Welsh Government has backed several projects designed to promote staff wellbeing and reduce bureaucratic burden.

UCU Cymru notes the challenges of qualification and curriculum reform. Partly for this reason, funded workload projects must be protected as staff cannot be expected to subsidise transition through their unpaid labour. Furthermore, serious planning and thought must now be given to how we invest in reducing workload during, what we hope will be, more prosperous times.

3: Social Partnership

As recently illustrated in further education, social partnership provides us with the opportunity to disinvest conflict whilst liberating innovation. UCU Cymru's successful pilot in Coleg Cambria clearly demonstrates how rapidly genuine partnership can move beyond essential 'bread & butter' matters, to creatively engage with the most challenging issues of our time.

Since its inception, the partnership has spawned a number of unique projects; most recently an action research study around how artificial intelligence might be used to ameliorate lecturer's workload.

In our [response](#) to 'Wales – a new Economic Mission' UCU Cymru argued that social partnership must be at the forefront of innovation. However, securing these gains requires some limited, up-front investment (remission & facility time) alongside the political will to establish conditions of trust from the top down. In that respect, it is significant that Coleg Cambria's partnership structure hinges upon the relationship between the union lead and college principal which are then replicated throughout the organisation by partnerships at a departmental level. Similarly, the separation

between partnership and negotiating functions allows for deeper co-decision and agility.

Against the backdrop of bad fiscal weather, social partnership provides a unique opportunity not only to navigate the impact of underfunding but also co-create solutions to otherwise divisive problems (such as the introduction of novel technologies and achieving Net Zero). Noting these advantages, UCU Cymru recommends that government maintains and intensifies its investment throughout 2024/25

4: Adult Community Education – Family learning

We [know](#) that families experiencing poverty and trauma in childhood can affect the ability – and opportunities – to learn. Crucially, UCU Cymru apposes this to the recognized benefits accruing to children in families where one or more parent is engaged in meaningful adult education (usefully summarized in a 2012 Parliamentary Review).

Research demonstrates that child attainment is massively augmented where one or more parent is also engaged in learning. Community schools potentiate a range of exciting opportunities – not only as a point of access for parent adult education but also a safe setting in which help can be sought and found.

Whether through taster courses or extended project qualifications there are opportunities for engagement with FE and HE institutions as well as socially responsible business along with health and social care providers.

Ideally, the aim will be to deliver a coherent community curriculum which benefits parent and child alike. Other policy options might embrace individual family tuition and/or offering learning support to women pre and post maternity. When done sensitively, there is strong evidence to suggest that this might promote secure attachment and bonding. Occupational Therapists (with their focus on enabling people to develop skills that help them to engage with activities that are meaningful and useful to them) would be well placed to work with providers and lead on developing this community curriculum. Similarly, other peri-natal health professionals' midwives and family visitors can also usefully support this work.

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 26: Ymateb gan: Cartrefi Cymunedol Cymru (Saesneg yn unig) |
Response from: Community Housing Cymru (CHC) (English Only)





Finance Committee Call for Information: Welsh Government Draft Budget 2024/25

About Community Housing Cymru

Community Housing Cymru is the voice of housing associations in Wales. We represent and support 34 housing associations and community mutuals. Our members provide almost 165,000 homes to 10% of the Welsh population.

Summary of our response

The Welsh Government's Final Budget 2023-24 allocated a total of £1bn for housing priorities. This funding has enabled housing associations in Wales to continue building new affordable homes, invest in existing homes and provide high quality support to their tenants, including through the cost of living crisis. To be able to continue to provide the high quality homes and support social housing tenants across Wales rely on, the Welsh government's 2024/25 budget must protect this investment and respond to inflationary increases.

As well as protecting the quantum of investment in homes and support, a balanced investment programme, certainty and flexibility of funding are needed to make sure we deliver as much value as possible for the citizens of Wales. Housing associations in Wales requires three things from the Welsh government budget in 2024/25:

- A long-term investment programme to deliver efficient and affordable homes for people in Wales.



- A more agile and pragmatic approach to funding so that we can be responsive to the dynamic and challenging environment we find ourselves in.
- A reinvigorated focus on prevention.

1. A long-term investment programme to deliver efficient and affordable homes for people in Wales

Investing in new and existing homes helps tackle the housing crisis, reduce carbon emissions and support the economy in Wales by creating jobs and supply chains. Despite the record capital investment from Welsh Government in the first two years of this Senedd term, building new homes has never been more difficult. There is much to do to unblock the immediate barriers that are slowing down and halting development in some areas.

Yet, unless our approach to tackling the climate and nature emergencies is in lockstep with our efforts to tackle the housing crisis we will be trapped in a cycle of short term measures.

- We need a long term investment programme to support us to build new low carbon homes, to decarbonise existing homes, and to provide the infrastructure we need for environmental and nutrient management. To do this, capital funding for new, low carbon, affordable homes for social rent through the Social Housing Grant must be protected in the 2024/25 budget.
- The Welsh Housing Quality Standard 2023 demands ambitious energy efficiency improvements as well as increased requirements for flooring, biodiversity and water poverty. It is currently largely unfunded. The challenge cannot be met without an investment which in turn will provide an economic boost to our communities as well as warmer, more energy efficient homes for tenants.
- Investment is also needed now in local capacity to build a land, planning and environmental management system in Wales that has the delivery of affordable homes for people in Wales at its heart.

2. A more agile and pragmatic approach to funding so that we can be responsive to the dynamic and challenging environment we find ourselves in

We have seen some real progress this Senedd term in establishing an agile and pragmatic approach to addressing the urgent challenges we face through the Transitional Accommodation Capital Programme and a move to programme funding via the Optimised Retrofit programme. We would like to see this flexible approach rolled out more widely to enable us to make the biggest difference to increasing the accessibility and quality of social housing.



It will be crucial to include funding for this within the 2024/25 Welsh Government Budget as part of a balanced investment programme that gets the most value for citizens out of every pound spent - both now and for future generations.

3. A reinvigorated focus on prevention

We know this is difficult during a crisis. However, it is because we are in a crisis that we must invest in prevention. Proper upstream prevention through support and investment in existing homes improves outcomes for people and reduces pressures on the NHS and local government. Losing focus on this will result in devastating consequences for individuals and huge additional costs for the state for years to come.

We need the 2024/25 Welsh Government budget to provide:

- At least an inflationary increase to the Housing Support Grant, which funds the majority of homelessness and housing support services in Wales, helping tens of thousands of people every year to recover from trauma and to live safely and
- independently in their home.
- Adequate funding for social care providers that meet the true cost of providing quality care, helps them weather the storm of the cost of living crisis and pay their staff the Real Living Wage.

We have provided more detail on our response in answer to the specific consultation questions below.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2022-23 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective as the economic outlook for 2024-25 continues to worsen?

Increasing the supply of affordable housing

Building new homes

£330m Social Housing Grant (SHG) and an additional investment of almost £100m in the Financial Transaction Capital investment has been particularly welcomed. This substantial investment has allowed housing associations to continue to build new, energy efficient homes and contribute to making Wales a fairer and greener place.

However, like many other sectors, home builders have experienced significant headwinds this year. The impact of this has been a delay to social housing schemes despite the best efforts of



housing associations, working in partnership with Welsh Government and others, to solve problems and resolve barriers. The most significant contributing factors to this have been:

- Inflationary cost increases and supply chain disruption, and their impact on the construction market in Wales.
- Post Covid retention and recruitment challenges, leading to lack of skilled specialists and other core staff across planning, environmental management and construction.
- Lack of strategic oversight to tackle the housing crisis across key stakeholders that can influence the delivery of social housing development.
- Misalignment between environmental management approvals and the planning system.

It is imperative that the planned Social Housing Grant capital spend of £325m in 2024/25 is protected, so that housing associations can build the new, low carbon affordable homes that people in Wales so urgently need.

The Transitional Accommodation Capital Programme has also been invaluable in increasing available homes at pace, and we would urge the government to continue funding this programme going forwards and considering ways to enhance it's delivery, such as:

- Considering the structure of the programme going forwards to maximise delivery. This could be rolling application windows and alignment with financial years to ensure landlords can deliver the maximum number of additional homes;
- Considering longer term funding commitments to account for bringing acquired properties up to required standard standards;
- Reviewing requirements to ensure that properties acquired are given adequate time to meet WHQS standards, and include a recognition that some of the standards may not be met for properties acquired; and
- Considering increasing the funding available via TACP to support acquisitions as part of a broader programme to increase social homes. This should factor in on-costs and costs to bring properties up to standard.

In 2024/25, a holistic Welsh government strategy is required to bring together all of the positive work that is being done to increase the availability of social housing. This will help ensure that we are not duplicating activity or working at cross purposes. Investment continues to be vitally needed in 2024/25 and beyond to increase capacity in the planning and consenting system and to improve environmental management infrastructure.



Prevention of homelessness and hardship for individuals

Homelessness and housing support

In 2022/23, the Welsh government maintained the Housing Support Grant at a baseline of £166m for the next three years.

Unfortunately, the capacity of this investment to support services has been negatively affected by the cost of living crisis and the extreme inflationary environment. As a result, funding has not been sufficient to allow a meaningful increase in staff wages. Our [joint Housing Matters report with Cymorth Cymru](#), published in October 2023, provides evidence of the impact of budgetary decisions on homelessness and housing services in Wales. Due to increased costs and decreased budgets:

- 75% of support providers said their HSG services are running at a deficit
- 91% of support providers said that their HSG funding had not been increased by enough to cover the increase in staff wages
- 72% said the lack of an inflationary increase had a negative or very negative impact on their ability to recruit and retain staff

Housing association social care providers

The considerations above are also pressing concerns for housing associations that provide social care and support services. Five housing associations provide services registered and regulated by Care Inspectorate Wales, while the majority of housing associations provide a wide range of non-registered support services. This support includes Extra Care housing for older people and those with disabilities, and supported housing for those at risk of homelessness.

Historical funding challenges are well-documented and the sector's resilience is now very low. Operating costs continue to rise while funding has not kept pace, and providers are not able to continue absorbing the shortfall each year. Contracts and services are likely to move further into deficit, risking provider exit.

Several non-profit providers have recently had to take the difficult decision to not re-tender for services they otherwise would have, given less challenging financial circumstances. This represents a significant risk to the ability of housing associations to continue to provide care and support services, and consequently an erosion of vital prevention provided close to home in the community.

As a priority, the Welsh Government must increase social care funding for local authorities to ensure:



- Fees cover the real cost of delivering high quality, person-centred care
- All care workers in Wales are paid at least the Real Living Wage, including pay differentials based on qualifications, skills and responsibilities.

Financial support for individuals

In the 2023/24 budget, multiple measures were announced to support a series of crises, including:

- An additional £18.8m for the Discretionary Assistance Fund, increasing the total budget for 23/24 to £38.5m
- £35m for Fuel Poverty Programme
- £25m for the Welsh government Energy Service.

These investments have been welcome and vital for people experiencing financial hardship, however our [Ends Won't Meet report](#), demonstrates that the ongoing cost of living crisis continues to hit social tenants hard. Living costs are expected to remain high, at a time when previous UK and Welsh Government help in the form of the fuel support scheme and energy bill discount scheme has been withdrawn, meaning households will receive less support this year. One in four of the poorest households will face energy bills rising by more than £100 this winter.

The Welsh Government should urgently progress discussions with the UK Government to introduce a social tariff for the most vulnerable households. In the 2024/25 budget existing emergency funds should be protected and routes to support need to be accessible and targeted to those who most need it.

Decarbonisation

This year we were pleased to see a continuation of significant funding for climate priorities, with £1.7bn total capital funding allocated. This included £92m for residential decarbonisation and quality. Last year's budget allocated £35m to test the use of new funding models through the Optimised Retrofit Programme (ORP). The 2023-24 budget allocated £72m to ORP funding. This funding, whilst welcome, however is not sufficient to meet the challenge of retrofitting every home to WHQS 2023 energy efficiency standards.

Optimised Retrofit Programme

We welcome the move away from a competitive bidding process for the Optimised Retrofit Programme (ORP) that was announced in 2022/23; this brings much needed certainty and clarity for housing associations to invest in retrofitting their homes. This flexible approach to the programme is positive and represents a vote of confidence in the ability of the sector to determine the most effective approaches to retrofitting



homes.

It is a positive step that ORP 3 includes certain types of accommodation that were previously excluded, such as extra care housing, at a time when these types of housing are experiencing major cost increases, including communal energy costs that could render some unaffordable.

However, the social housing sector is still awaiting a decision on the long term approach to decarbonisation at scale. We need a fully costed plan and deliverable timetable and strategy which allows investment to be retained in Wales to support the local economy.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

Housing association contribution to the Welsh economy in 2024/25

In 2024/24 we need a balanced investment programme that gets the most out of every pound spent and benefits the health and wellbeing of the whole nation - now and for future generations.

Housing associations are private businesses that exist for public good. In 2021/22, housing associations invested £395m in new homes in Wales and for every £1 received from the Welsh Government, housing associations brought just under £6 into the Welsh economy.

They are also major employers. In 2021/22, housing associations directly employed around 11,000 FTE jobs in Wales and this figure rises to around 27,000 if indirect sources of employment are also considered.¹

To ensure housing associations are able to contribute maximum benefit to the economy in the 2024/25 budget, it is crucial that Welsh government should:

- Protect Social Housing Grant capital spend on building the new, low carbon affordable homes that people in Wales so urgently need.
- Reaffirm the agile approach to placing funding where it is most needed to end homelessness and provide sanctuary, through investment in the next stage of Transitional Accommodation Capital Funding programme.
- Bring pace and certainty to the development process by allocating additional funding:
 - To allow local authorities to invest in services that enable economic activity and investment, such as planning.
 - To significantly increase the speed of infrastructure to support environmental

¹ CHC Global Accounts, 2021/22



- management, including nutrient management and flood prevention.
- Provide at least an inflationary increase to the Housing Support Grant to ensure vital services that prevent and alleviate homelessness are not lost.
- Commit sufficient funding to social care to allow commissioners to support providers in paying the Real Living Wage and meeting current huge inflationary cost increases to ensure these businesses remain viable.

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

Increased support for social housing tenants experiencing financial hardship

Social housing tenants in Wales are among those who have been hit hardest by inflation and the cost of living crisis. As food, fuel and energy prices have continued to rise, making ends meet has become a daily challenge. Two-thirds of those living in destitution in the UK are in receipt of Universal Credit², demonstrating that our social security system is failing people who are facing hardship.

Housing associations take their responsibility for supporting tenants very seriously, and are directing a great deal of resources towards helping their communities through this extremely difficult time. In August 2023, we spoke to 24 housing associations who told us that:

- Tenants who have never needed financial support before are asking for help.
- Support provided by housing association staff resulted in tenant's income being maximised by over £1000 on average.
- 86% of housing associations offer a hardship fund, providing access to over £1.3m in hardship relief.

Housing associations help tenants navigate and access emergency support for housing costs, including help to apply for local authority Discretionary Housing Payments and Discretionary Assistance Funds. Unfortunately, our members tell us that the amount of funds available and the ease of the application process for tenants is often a postcode lottery.

Increasingly, housing association staff are reporting that they are reaching the limits of what they can do to help. We need the UK and Welsh government to take further action to support tenants who are being pushed further into poverty as a result of the cost of living crisis.

In the 2024/25 Budget, Welsh government should continue to support individuals by:

² JRF, [Destitution in the UK](#), October 2023



- Protecting existing emergency funds and ensuring that routes to support are accessible and targeted to those who most need it. This should include the Homelessness Prevention Grant, Discretionary Housing Payments and Discretionary Assistance Funds.
- Continue to fund vital initiatives that target fuel and food poverty, and that support higher rates of benefit take up.

Pressures on private rented sector tenants and homeowners

Housing associations have welcomed an increase in Welsh government focus on keeping people in their home through mortgage and rent rescue during 2022/23. Funding for the continuation of this work in the 2024/25 financial year is vital to prevent rising mortgage rates and private landlord exit from the marketplace from driving an increase in homelessness.

Homelessness prevention and support services

Increasing numbers of people in Wales are experiencing, or at risk of, homelessness. [Evidence we have collected from support providers](#) demonstrates that demand for homelessness and housing support services has increased over the last year, as well as the complexity of people's support needs.

- 81% said demand for their services had increased since last year
- 94% said the complexity of support needs had increased since last year
- 66% said they were having to operate waiting lists for their services

There has been an 11% increase in the cost of delivering services. Since 2011/2012 there has been a real terms cut of £24 million once inflation is taken into account. 75% of providers are now reporting they are running at a deficit. Many have had to reduce their service capacity, felt unable to bid for new or re-tendered contracts, and have had to leave staff positions unfilled. The impact on service delivery is clear, but it will get substantially worse if funding is not increased.

Providers have reported that in the event a cash flat settlement in 2024/25:

- 77% are extremely likely or likely to reduce capacity
- 40% are extremely likely or likely hand back contracts
- 67% are extremely likely or likely not to bid for contracts

And in the event of a cut to existing funding:

- 78% are extremely likely or likely to reduce capacity
- 53% are extremely likely or likely hand back contracts
- 67% are extremely likely or likely not to bid for contracts



Providers have little resilience to withstand further cuts - actual or real-term -and maintain the high quality support people require. Support providers are clear that this is not sustainable. Most organisations cannot afford to subsidise services in the future and will need to hand back contracts if the funding deficit is not resolved.

In order to ensure that services are able to deliver vital services targeted at the prevention and alleviation of homelessness, the Welsh government must increase investment in the Housing Support Grant.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

An aligned approach to achieve our shared ambitions on climate, nature and low carbon affordable homes

At present, Welsh government strategies to address the climate and nature emergencies are working at cross purposes with strategies to end homelessness and tackle the housing crisis. This does not have to be the case.

In 2024/25 the Welsh government should target investment to build an environmental management infrastructure in Wales that has both people and nature at its heart. Housing associations are already delivering innovative work in Wales to ensure that new homes and communities can be built in a way that enhances the natural environment, has a positive impact on biodiversity, and reduces carbon emissions and pollution (e.g. through active travel options). However, the strategies of other stakeholders tasked with protecting the natural environment in Wales are not being developed with this in mind. This means that vital new homes for the increasing number of people who are homeless, seeking sanctuary, in unsuitable accommodation and in financial hardship are not being built. It also means that innovation is stifled, and new approaches and technologies that would contribute to the protection of the natural environment are not being developed quickly enough.

One example of this is the approach to ensuring phosphate levels for all river Special Areas of Conservation (SACs) across Wales are at appropriate levels. Guidance from Natural Resources Wales in the last two years has resulted in a complete cessation of social housing development in key areas of affordable housing need, such as Gwent, Monmouthshire and Wrexham.

We appreciate the focus that was provided on this issue by the First Ministers' River Summit in July 2022 and the subsequent action plan. This has seen some schemes able to start



moving again. However, at present, there is neither the clarity or capacity needed to unblock vital housing schemes in an environmentally sensitive way. Welsh Government should take all steps to remove these barriers as soon as possible (such as providing Welsh Water funding to invest in phosphates stripping capacity), and to ensure that future guidance e.g. on marine nitrates does not compound or expand the issue. capacity now rather than waiting for the next Asset Management Plan in 2025.

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively

No comment on this question

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

We have provided our response to these points in our answers to the questions above.

Please contact [REDACTED] if you have any questions.

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 27: Ymateb gan: Colegau Cymru (Saesneg yn unig) | Response from: Colleges Wales (English Only)



Senedd Committees

A call for information – Welsh Government Draft Budget
Proposals for 2024-25

November 2023

About Colegau Cymru

Colegau Cymru 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 FE colleges and FE institutions (FEIs) in Wales. Colegau Cymru 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.

Colegau Cymru welcomes the opportunity to submit its response to the Senedd's call for information – Welsh Government Draft Budget Proposals for 2024-25. This response is being shared with the following Senedd Committees – Children, Young People and Education; Economy, Trade and Rural Affairs; Equality and Social Justice; and Finance Committee. We have focused our response on questions most relevant to both FE and work-based learning.

- Further education and work-based learning are not luxury items that are simply 'nice to have' – they are both absolutely fundamental to our economic recovery and to building the fairer society we all want to build. Cutting funding for either will weaken the potential for sustainable economic growth and impact the life chances of people living in our poorest communities. The cumulative impact of any potential budget reductions to FE and apprenticeships should be understood as a whole. The time to invest in our learners, our workers, and our second-chancers is now.
- The education and social impact of the pandemic is still evident through poor levels of attendance in schools, significant mental health challenges facing many learners, and evidence of wider behavioural challenges of learners entering college. FE needs to be properly resourced to allow it to mitigate the impact of the pandemic during school education and to ensure the most vulnerable learners are not doubly disadvantaged.
- The proposed 24% cut to the apprenticeship programme will see the largest drop in work-based learning activity since devolution, with around 10,000 fewer individuals able to start an apprentice next year. This will immediately undermine support for our anchor companies and SMEs, as well as putting future inward investment opportunities at risk. Protecting the apprenticeship and part-time learning budgets are essential to ensuring employers can upskill their workforce and grow their businesses.

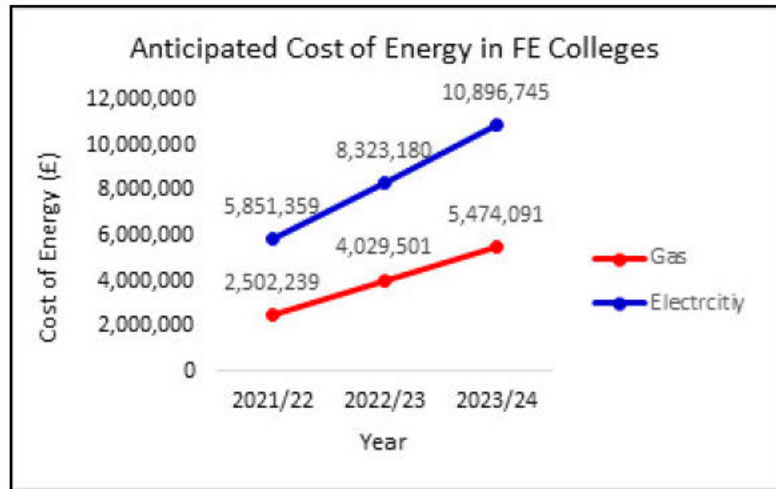
1. Background

The FE sector is confronted with a series of unprecedented financial and policy challenges. Over the coming years colleges will be faced with significant financial challenges, the rising cost of pay settlements to support staff with the cost of living, sharply rising costs for materials and consumables, and the impact of Brexit and the loss of EU funded projects and uncertainties

presented by the UK Shared Prosperity Fund. Alongside this, the sector is managing the long legacy of the pandemic, including the huge demand for health and wellbeing services and learners entering FE after years of disrupted school education.

Inflation has hit the UK hard, in fact, inflation in the UK has remained at around a 40 year high¹.

The graph shows data provided by the ColegauCymru Finance Directors Group. It shows that between 2021 and 2024, the cost of electricity and gas for colleges in Wales will have risen by 53.7% and 45.7% respectively. This, in addition to the soaring prices of food and course materials, the uncertainty posed by the post-Brexit European funding arrangements, and a tightening public purse, make it vital that we recognise the breadth of financial challenges facing colleges.



With Wales looking for a pathway out of flat economic growth, a strong FE and work-based learning sector is needed more than ever. Yet to play our role in delivering the fairer, stronger and greener Wales we all want to see, colleges need the sustained financial support to ensure that learners get the high-quality education they deserve and that employers access to the skills they need to grow for the future.

Today's young people and our adult learners must not become a lost generation. They cannot be left behind. There is no route map to a better Wales that doesn't rely on a thriving, resilient and successful FE and WBL sector. Colleges are training, re-skilling, and upskilling tomorrow's plumbers, counsellors, welders, caterers, cyber security specialists, nurses, heat pump system installers, web designers, social care workers, and many more. At a time when both learners and employers need access to FE the most, the Welsh Government must prioritise investment in the sector.

2. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

The sector recognises the level of additional support provided to the sector to support learners through the pandemic. However, it is vital policymakers acknowledge that impact of the pandemic has not gone away and that many learners coming into post-16 education require additional and ongoing support with literacy and numeracy, support with their mental health and

well-being, and additional support to overcome the impact of prolonged period of absences. A commitment to long-term and mainstream funding to support the recovery from the pandemic is essential.

The move from financial year funding to academic year funding has been welcomed, however it was suggested that bigger pots of funding to cover various different projects over a longer time frame would potentially generate better value for money in the longer term – for example, it would be easier to hire specialist staff to run a project for a three year period, rather than a six month period.

Together with NUS Wales¹, the increase in Education Maintenance Allowance (EMA) payments was warmly received by the sector, however a review of eligibility thresholds is encouraged in order to support those learners who are struggling daily with the cost of living, but who may fall just outside the entitlement boundaries. Further to this, the sector is looking forward to the outcome of the full EMA review which is underway. It should not be forgotten that families and communities are still feeling the effects of the pandemic, therefore consideration should be given to those learners from the most disadvantaged backgrounds whose families may not have financially recovered from the impact of the pandemic.

3. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

FE colleges directly support businesses more than any other form of education through programmes such as apprenticeships and Personal Learning Accounts (PLAs). It should be noted that with the end of European funding – which assisted 25,000 businesses and supported 86,000 people into employment²– and the delay in implementing its replacement, the ‘Shared Prosperity Fund’, there is likely to be far less support available to businesses through FE in 2024/25 unless current funding levels in these areas are maintained.

It is incredibly difficult for the sector to plan when so much is uncertain. Colleges generally have robust finances, however with enrolment trends flattening out some colleges have already made cuts to their budgets, and further reductions in funding will inevitably require similar action. A further issue is that a number of colleges have embarked on major construction projects – to which they have to make a financial contribution – and these plans are built on the expectation that funding is stable. Any reductions in funding could put at risk the needed modernisation of campuses across Wales, leading to a poorer experience for learners from the most disadvantaged communities.

¹ [EMA: Welsh Government to increase weekly student grant](#)

² [Not a penny less – Welsh Government calls for commitment on Shared Prosperity Fund](#)

Work based learning is key to ensuring that the Welsh Government can achieve its ambition for a stronger, greener, fairer Wales. However, in 2023/24 there has been an ‘in year budget reduction’ of £17.5million to apprenticeships, with further cuts expected in 2024/25. Apprenticeships provision is ‘demand led’, and the Welsh Government’s own data shows an increase in apprenticeship starts in the first half of 2022/23, compared with the same period a year earlier. There is no lack of demand from employers for apprenticeships.

Proposals from the Welsh Government will see a 24% cut to the apprenticeship programme, which would result in 10,000 fewer starts in 2024/25. The reductions would fall disproportionately on young people (16-24), those in the lowest socio-economic groups, and women. Early analysis indicates that it would likely mean a significant reduction in the number of Black, Asian and Minority Ethnic apprenticeship learners. If apprenticeships are to be subject to such a significant budget reduction, it will be the key priority sectors which are impacted the most, including health and social care, construction, and engineering. It will be the most significant drop in work based learning provision since devolution and undermine our economic recovery at a time when employers, individuals and the economy need it the most.

It is critical that the FE sector has sufficient funding to be able to navigate the stormy economic waters, and support Wales’ communities and economy in its recovery. Colleges are the skills engine driving economic recovery and supporting resilience. Investing in colleges is investing in the most important natural resource which Wales has – its people. A recent report from the owner of Screwfix and B&Q, Kingfisher Plc, showed that the UK is set to lose out on £98billion of growth by 2030 due to a shortage of tradespeople³. Colleges are central to delivering these skilled tradespeople. Ultimately, the availability of skills plays a pivotal role in the prosperity of Wales’ economy and communities, and its attractiveness to investors. In order to drive inward investment, it is critical that skills are the central pillar to that plan. To highlight the inward investment case: just recently PWC has announced they are to create 1,000 new jobs in Wales by 2028⁴ and said “The demand for those skills is only going up, and this is a great opportunity for Wales to make sure we are at the forefront of the next industrial revolution. We are creating jobs where people right here in the Cardiff office will be serving clients all over the world”; and Thales⁵ who support 1,100 jobs in Wales gave evidence in November 2023 to the Welsh Affairs Committee where they highlighted the importance of Cyber College Cymru for skills improvement, arguing that apprenticeships form a key part of their workforce.

³ [UK to lose out on £98bn of growth by 2030 due to shortage of tradespeople \(kingfisher.com\)](#)

⁴ [Cardiff: PWC to create 1,000 new tech jobs in Wales - BBC News](#)

⁵ Aerospace, Space, Defence, Security and Transportation

4. What action should the Welsh Government take to help households cope with inflation and cost of living issues. How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

Public transport in rural areas of Wales have been described by some colleges as unreliable and costly, which makes transport for learners to both college and places of work for apprentices, very difficult. Pembrokeshire College Principal and Chair of the Colegau Cymru Strategic Work Based Learning Group, Barry Walters, highlighted this during his evidence to the Senedd's Economy, Trade, and Rural Affairs Committee on 28 September 2023. He spoke about an apprentice who needs to take two buses to reach their place of work, fares which total £9. Once he had purchased lunch for the day his total spend has reached £13, however with the apprenticeship wage being £5.28 per hour, he will have to work two and a half hours before he has any money to take home. Some areas have already seen many bus routes cancelled, for example the Fflecsi Bwcabws in Ceredigion, which was EU funded. With routes in smaller, rural areas being cancelled or withdrawn all together, learners have no equality of access to transport, meaning no parity between those in rural and those in urban areas.

The Financial Contingency Fund is provided to learners by the Welsh Government and is means-tested. It is there to support those who are in most financial need. The fund is allocated based on the number of full-time learners enrolled at each college, and discretion is given to colleges to use the fund as they see fit. In 2021/22, the largest sum of money across the sector was allocated to learner transport. This is echoed by Welsh Government research from March 2023, which recognised that 41% of 16 to 24 years olds identified transport as being the number one barrier for 16 to 24 year olds to getting a new course, training or a job⁶. For this reason, colleges are eager to see the outcome of the Learner Travel Measure review which was undertaken by the Welsh Government over the summer of 2023, and hope that careful consideration has been given to post-16 transport for both academic learners going to college, and WBL learners travelling to their places of work.

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

As noted by the Welsh Government in the “Stronger, Greener, Fairer Wales: Net Zero Skills Action Plan”, skills will be a key enabler as we transition to a net zero economy⁷, therefore investment is crucial to ensure that no one is left behind. As we adjust our economy towards the net zero goals, these existing and emerging jobs require different skills. Without a suitably trained workforce, the transition will be impossible. This includes key sectors like renewable energy,

⁶ [Young Person's Guarantee National Conversation: update for participants](#) – Welsh Government

⁷ [Stronger, Greener, Fairer Wales: Net Zero Skills Action Plan](#) – Welsh Government

energy and resource efficiency, renovation of buildings, construction, environmental services and manufacturing.

The scale of the proposed cuts to both the FE and WBL budgets will severely undermine our drive towards net zero and our ability as a nation to be able to attract the kind of investment that we need for the future. Long-term we need to take a more strategic view of the skill needs for the transition to net zero and ensure that it is resourced so that people can retrain and upskill for the jobs of the future. Cuts to apprenticeships and reductions in the opportunities to access Personal Learning Accounts will only risk the progress we need to make in reaching our targets and in contributing to the global effort to tackle climate change.

Our current frame of reference for a greener economy is the Net Zero Skills Action Plan. This Plan (and the supporting strategy documents) clearly outline Welsh Government's ambitious plans. As part of the Net Zero Skills Action Plan, Welsh Government are currently consulting on the skills needs within each of the eight 'emission sectors' with a view to developing 'sector route maps'. Only once those consultations are complete, and the resultant sector route maps published, will we fully know the extent of the skills gap.

6. Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Analysis of data from the OECD / World Bank (1995-2015)⁸ identifies patterns between education and health indicators. Adults with higher educational attainment have better health and lifespans than their less educated peers. Tertiary education in particular, is critical in influencing infant mortality, life expectancy, and child vaccination. Education and wellbeing are intrinsically linked. The evidence behind the importance of education as a determinant of health is among the most compelling. Education is strongly associated with life expectancy, morbidity, health behaviours, and educational attainment plays an important role in health by shaping opportunities, employment and income⁹. The Chief Medical Officer for Wales' Annual Report highlights the disproportionate health effects that the cost of living crisis has had on low income people, and critically, recommends that the Welsh Government should continue investment in 'interventions that address upstream determinants', including education.

⁸ [The influence of education on health: an empirical assessment of OECD countries for the period 1995–2015 | Archives of Public Health | Full Text \(biomedcentral.com\)](#)

⁹ [Education: a neglected social determinant of health - The Lancet Public Health](#)

A decade ago, the budgets for part-time and adult community learning were slashed¹⁰. Since then, as recognised by Audit Wales, part time students have been particularly affected by the pandemic – especially those in adult community learning¹¹. In 2021, Audit Wales highlighted that “Decisions on the level of provision in future will need to take account of the Welsh Government’s aspirations for lifelong learning and creating flexible learning pathways that enable individuals to acquire new skills in a way that suits their personal circumstances”¹².

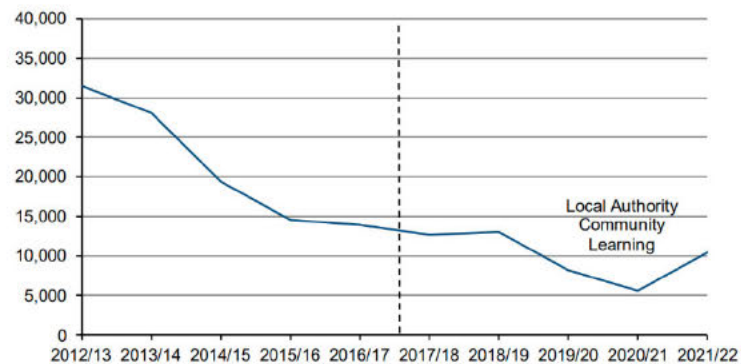
The long term decreased trend in adult learning can be linked to reductions in public funding¹³. The Minister for Education and Welsh Language has long publicly stated his commitment to adult learning – a commitment to creating a Wales where it’s ‘never too late to learn’.

Colegau Cymru is supportive

of this aspiration, and there is considerable research in place which demonstrates the value of adult learning in Wales, both in the community and within a college setting, and the positive difference this makes to people’s lives¹⁴. Lifelong learning supports the development of skills, improves health and wellbeing and is a catalyst for social engagement and integration. ACL is essential for those individuals who are hardest to reach, and furthest away from education and employment.

In respect of colleges delivery of skills-based programmes such as PLAs and apprenticeships, and employability programmes such as Jobs Growth Wales Plus (JGW+) this has been the case to-date. However, the college network is facing in-year and future budget reductions. If the Welsh Government is serious about preventative spending, to avoid greater issues in the future, then it must ensure that all demand (from individuals, employers, and/or the economy) is met. The skills-based training that colleges deliver is demand-led, and as such, so should Welsh Government’s funding in this area i.e. if there is demand, it must be met.

Chart 2f: Learners in adult learning, 2012/13 to 2021/22 [note 1]



¹⁰ [Criticism over cuts to adult learning budgets in Wales - BBC News](#)

¹¹ [A Picture of Higher and Further Education \(audit.wales\)](#)

¹² [A Picture of Higher and Further Education \(audit.wales\)](#)

¹³ [Further Education, Work-based Learning and Adult Learning in Wales, 2021/22 \(gov.wales\)](#)

¹⁴ [Adult learning briefing ENG.pdf \(colleges.wales\)](#)

7. Is there enough infrastructure investment targeted at young people? 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?

Investing in young people (aged 16 – 24) through the Young Persons’ Guarantee (and all its component elements) is the key opportunity, as well as assisting older individuals looking to enter or re-enter the workforce.

In addition, the Welsh Government should outline in its ‘Statement of Priorities’ for the soon to be established Commission for Tertiary Education and Research (CTER) the need to provide funding support for the existing Welsh workforce who are looking to skill, up-skill, or re-skill to maintain their place in an ever-changing workforce and economy. ColegauCymru has set out the elements that should be included in the forthcoming Statement of Priorities¹⁵. These are:

- Put learners at the heart of decision making – at a time of significant pressure on public finances, the long-term interests of learners should be put first.
- Deliver the sustained funding to protect the curriculum and learner support – recognition is needed of the rising cost pressures on colleges, with a commitment to protect investment in the core curriculum offer and wider learner support.
- Renew the commitment to vocational education and training – including taking forward the recommendations of the Review of Vocational Qualifications¹⁶.
- Develop a new, enhanced 14-19 learning and transition pathway for all learners – which should include a review of the viability of small school sixth forms.
- Lifelong learning and progression opportunities for adults – to deliver a Wales where it is never too late to learn, a nation of ‘second chances’, a coherent and long term policy commitment, backed by sustained and secure investment is vital.

8. Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

The FE and WBL sectors in Wales generally support a higher percentage of learners from disadvantaged backgrounds compared to Higher Education (HE) and school Sixth forms, through various learning pathways such as vocational lower level provision, Adult Community Learning, and apprenticeships. Therefore, any reduction to college and work based learning budgets is likely to have a disproportionate impact on individuals from the most deprived areas of Wales. This is supported by recent figures which show that of the 98,175 learners (both full-time and part-time) enrolled at FE institutions from August 2021 to July 2022, 13% were from the most

¹⁵ [2023 11 Statement of Priorities Publication.pdf \(colleges.wales\)](#)

¹⁶ [Review of vocational qualifications in Wales: report | GOV.WALES](#)

deprived 10% of neighbourhoods in Wales. This is compared to 8% of the 23,375 Sixth form students registered at schools in Wales¹⁷.

Further crucial support is available to college learners via the Financial Contingency Fund (FCF) which is critical for colleges to flexibly use to meet the support needs of their learners. Over 8% (3,666) of full-time FE learners aged 16-18 utilized financial contingency funding for free meal vouchers, with a further 748 learners in the 19+ age bracket, bringing the total number of learners who relied on the FCF in order to eat during the college day to almost 10% (4,414). Colleges noted that it is not only those learners from lower socio-economic backgrounds struggling with the cost of living, but now those middle earners are also facing financial hardship. As with the EMA, ColegauCymru suggests that eligibility for receiving support from the FCF is also reviewed in order to support all learners who are facing financial difficulty.

The FCF does not only provide learners with free meals during term time, but also during holidays. Data gathered by the Welsh Government from the five holidays (not including the summer holiday) during 2022/23 showed that an average of 3,322 learners benefitted from free meals. These figures emphasise the vital role colleges are playing in supporting young people, not just during the college day, but also outside of term time.

Investing in education – for today’s and for future generations

We must avoid a situation where any funding reductions significantly undermine capacity to deliver for learners and for employers as they face the challenges of the future. There is no route map to a better Wales that doesn’t rely on a thriving, resilient and successful FE and WBL sector. The 13 FE institutions in Wales offer high quality vocational, technical and academic education to people of all ages. College lecturers have often come into teaching after a successful career in their industries, which means learners are taught to demonstrate industry-level skill levels and behaviours. Colleges’ industry standard facilities provide the high quality environment our learners deserve.

We must protect the core curriculum, and the support for our learners. This is how we future-proof Wales’ economy. If we do not invest now, we will feel the effects in a decade’s time, which will be too late for our learners.

Amy Evans

Policy Officer, ColegauCymru, [REDACTED]

Elusen Cofrestredig | Registered Charity: 1060182

Cwmni Cofrestredig | Registered Company: 283210

¹⁷ [Number of unique learners in post-16 sectors by deprivation decile of home neighbourhood, August 2021 to July 2022](#)

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 28: Ymateb gan: Care and Repair Cymru (Saesneg yn unig) | Response from: Care and Repair Cymru (English Only)



Welsh Budget 2024-25

Care & Repair are Wales' older people's housing champions. We help our clients to live independently in warm, safe, accessible homes by delivering housing adaptations and home improvements. We offer a holistic casework service including a whole house assessment taken from a national framework, including a falls risk assessment, welfare benefits check and home safety information and advice. In 2022-23 we delivered the following:

- 62,607 older people helped to stay independent at home.
- Completed 20,438 Rapid Response Adaptations to prevent accidents at home.
- Completed 65,127 jobs in the home to a value of £18.3 million.
- Helped clients claim £9.5 million in unclaimed benefits.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

As a third sector organisation, we will be focusing on the first question in our response. Care & Repair Agencies were awarded a 13% revenue increase and 83% capital uplift in Welsh Government's 2022/23 budget. The additional revenue was welcome and stabilised our operational costs. This was maintained in 2023/24. The additional capital increased our Rapid Response Adaptations programme by some £1.3m. Initially, this put us in a better position to deal with the substantial increase in demand for RRAP and our core casework services, partly caused by post Covid backlogs working through systems, and has helped support our increased work on hospital discharges and preventing admissions. However, the increased capital has been offset by large increases in contractor and materials costs caused by inflation, soaring energy prices, increased transport and supplies costs.

Unfortunately, due to cost of living and other large cost increases, the additional capital has not enabled us to expand services. We are also working in the context of an increasingly older and more frail population. We are also receiving more and more very complex clients referred to us from statutory partners to plug the gaps in their services, often which are inappropriate referrals where clients need Occupational Therapy support. A survey amongst our 13 Care & Repair Agencies shows that collectively they would need an additional £859,000 to meet current demand for this year. Agencies are constantly evolving to improve their organisational resilience to diversify their income to try to meet this additional demand including through local funding partners and social enterprise routes. One Agency had already committed 100% of their RRAP

monies on 1st October, and by the 25th of October had already had to turn away 347 clients. At the time, another Agency had 600 referrals to process due to referrals being received quicker than their resources can process them. Across all Agencies, 73% of RRAP had been spent in the first two quarters of the year, even with supplementing from other sources such as Enable and the Housing with Care Fund.

Since then, we have been able to source an additional £500,000 for this year and next, however this still leaves us with a shortfall of 350,000 – which is likely to be more next year as demand for our services has been increasing year on year. Part of this increase comes from the success of our specialist hospital discharge service, Hospital to a Healthier Home. Since April 2019 when the service was rolled out across Wales, the service has helped over 16,500 older patients leave hospital more safely and quickly into homes that have been adapted and improved to meet their changing needs by delivering over 27,500 home improvements. The service has saved the Welsh NHS over 100,000 bed days.

The service has seen year on year increase in demand. For example, this financial year the service has helped 2,141 patients leave hospital between April-September, whereas in 2022/23, it helped 1,563. This is a 39% increase in patients helped in the first two quarters of this financial year. The service is revenue funded by Local Health Boards (stagnant this year, despite the higher volume of referrals). Although this is recognition of its value in improving patient flow and the value NHS staff place on the service and its reliability to get work done and problem solve issues preventing hospital discharge for clinically optimised patients, its high volume of referrals means this is putting significant strain on our capital budgets.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? – How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Over recent years we have worked hard to improve our organisational resilience diversifying our income streams, with several agencies developing their own social enterprises to supplement Welsh Government funding which is unable to cope with increasing demands on our services, as well as diversifying income through local funding. There is significant reputational risk at having to turn away clients, especially from statutory partners.

Inflation continues to hit our services hard thanks to the increase in costs of materials. In our report The State of Older People's Housing in Wales released earlier this year, we highlighted the impact that supply chain issues and cost increases are having on our ability to complete works:



“I’ve got contractors now that are providing quotes and saying that they are valid for seven days, whereas I used to have contractors saying they are valid for six months, because the contractors just can’t hold the prices. And that creates all sorts of problems.”

Senior Technical Officer, North Wales

“I mean, three or four years ago a sheet of plaster board was probably about £6 or £7, it’s now about £18 or £19 a sheet, and I know 12 months ago we couldn’t get hold of plaster board at all.” Senior Technical Officer, North Wales

3. What action should the Welsh Government take to help households cope with inflation and cost of living issues? – How should the Budget address the needs of people living in urban, post-industrial, and rural communities and in supporting economies within those communities?

On Fuel Poverty Awareness, Day Care & Repair released new research showing that the average Care & Repair client coming to our services for energy support and advice is spending 19% of their income on their utility bills this year, even with remaining government support. 96% of clients who accessed this service were living in fuel poverty, with the level of spend on utilities ranging from 8% to 62%.

Although we understand that some powers which would help households bring down the cost-of-living are not in the Welsh Government’s hand, we encourage the Welsh Government to push the UK Government and Ofgem to introduce a social tariff for energy bills, and reform standing charges. Standing charges on energy bills have increased by 64% since the price cap was introduced, and disproportionately affect low-income households and those on pre-payment meters, as they consume less energy so standing charges form a larger part of their bill. For example, costs of failed suppliers were put onto the standing charge for electricity – with the justification from Ofgem that there are some high-usage, low-income households who have disabilities who would be unfairly hit by putting this charge onto the unit rate– however we believe it makes more sense to have targeted support for these households rather than upping the standing charge and thereby affecting all low-income households.

Long-term solutions are needed to reduce energy bills in Wales. Wales has the least thermally efficient homes in the UK, which are contributing to the numbers of households living in fuel poverty. In 2022/23, Care & Repair completed 65,127 jobs in the home to improve housing accessibility and condition, totalling £18.3 million. Despite this, every day we come across unfit homes and serious disrepair where the needs of vulnerable older people cannot be met due to a lack of resource. Left unresolved, over time small repairs become large works and increasingly complex to resolve, especially in the current economic climate where multiple organisations are competing for dwindling benevolent funding. To support older people to live

safely and independently at home and prevent avoidable hospital admissions because of accidents at home, Care & Repair are calling for a safety net grant to rectify hazardous disrepair present in Welsh homes that result in draughty, leaky homes. It is vital that we think of the Welsh housing stock as a national asset which should be protected and retrofitted for future generations to come.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Building and construction industries offer a fantastic opportunity equip Wales with the housing stock it needs to achieve its net-zero targets, improve housing conditions, and upskill the workforce at the same time. The Optimised Retrofit Programme currently only applies to social housing stock. Care & Repair would like to work with partners, including Welsh Government, to pilot whole-house retrofitting in the owner-occupied sector to build learning and understanding of the challenges different property types and human behaviour may bring to building a green economy.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

a) Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Outlined in our response to question three, we are calling for a safety grant for instances of disrepair hazardous to health and improve thermal efficiency of older people's homes in Wales. Improving the housing condition stock in Wales provides a long-term solution to reducing energy bills. The cheapest energy is that which we do not use.

b) Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

From our perspective the Welsh Government has delivered a strong commitment to the preventative work Care & Repair undertake by funding the Rapid Response Adaptations Programme and increasing capital funding to offset some of the additional demand. Agencies also received three-year funding in 2022/23 for the first time in Care & Repair history.



c) How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

Improving patient flow is crucial to tackling NHS waiting lists. Care & Repair have a track record of preventing hospital admissions and helping patients to leave hospital more quickly, both improving patient flow, with a strong evidence base to back this up. However, increasing demand for our services is leaving us with a serious capital shortfall which is impacting our ability to support clients, and by consequence, our public services.

We undertook longitudinal research with Swansea University to link anonymised data from our national database (Care & Repair Information System) with data helped by the SAIL Databank (Secure Anonymised Information Linkage) to understand the impact of community-based home modifications on presentation at hospital for fall injuries. The dataset contained over 650,000 people in Wales aged 60-95, of which 123,000 were Care & Repair clients. The research analysed data from 2009-2017. The research found that:

- At the point of referral, C&R clients had an overall higher risk of falling compared to the general, non-C&R population. This means, on average, C&R clients were more predisposed to falling due to health conditions and circumstances. The service is therefore well-targeted, reaching vulnerable people in need of support.
- There was a 17% annual increased likelihood of a fall related hospital admission for the general group analysed (i.e., those who did **not** receive a C&R intervention).
- Post intervention, the C&R client cohort did not see fall risk increase annually as it did for the group that had not received a C&R intervention.
- **There was a 13% reduction in risk of someone having a fall one year following a C&R intervention**, compared to citizens that had not had an intervention (therefore reducing hospitalisation and unscheduled care admissions).
- There was a reduced risk of care home admission for people with a moderate or severe level of frailty who received a C&R intervention over 1-, 3- and 5-year time periods.

Similarly, we worked with Welsh NHS staff and NICE guidelines to work out a bed day saving for our Hospital to a Healthier Home service. On average, a **Care & Repair intervention reduces the length of patient stay by six days**. We also undertook research with Local Health Boards to track readmission rates following a referral to the Hospital to a Healthier Home service. This shows that patients who has had a H2HH intervention had a readmission rate of 5.5% compared to a 12.5% health board average.

As explained in our answer to question one, the increase in demand for our services is placing huge pressure on our Agencies and their ability to deliver capital works essential to ensuring older people can live safely and independently at home. Our intervention targets older people,

often with high levels of frailty and complex needs, who are more likely to need unscheduled care. Our work also helps support goals 1 and 6 of the Six Goals for Urgent and Emergency Care. We estimate through our core service, every £1 spent on adaptations saves health and social care £7.50, raising to £8.60 for every £1 spent via H2HH. With additional capital to provide home adaptations, we will be able to better meet increasing demand and prevent further admissions to hospital amongst older people through community prevention and help the Welsh NHS tackle waiting lists. Home adaptations are a proven, cost-effective prevention intervention, and investment in them is more vital than ever in the context of ageing population in Wales.

For more information or any questions on the topics raised in this response, please contact:

Faye Patton, Policy Manager
[REDACTED]

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 29: Ymateb gan: Cyswllt Amgylchedd Cymru (Saesneg yn unig) |
Response from: Wales Environment Link (WEL) (English Only)



Consultation response: Informing scrutiny of Welsh Government
Budget for 2024-25
Date: 30 November 2023

Summary

The current budgeting situation faced by Welsh Government is severe and we acknowledge that some very difficult choices need to be made around spending over the next two years.

In a time of crisis, the first response is often to retreat and think only of immediate priorities; to go back to basics in terms of jobs and livelihoods, and to dispel concerns around nature as being trivial, compared to more pressing matters of health and the economy. By its very topography however, the health and prosperity of our nation depends on our environment and, now more than ever, nature can't wait for us to overcome the cost-of-living and health crises we are facing, it must be part of the solution through a green recovery. We must ensure our young and future generations are not compromised by decisions made in the present. None of our other priorities will matter if our water, air and soil is compromised and can no longer sustain us. We urge the Senedd committees to keep nature a priority and to ensure the Welsh Government does not forget it, amongst extremely difficult decisions. Our core messages in this response are:

- 1) Don't make nature the scapegoat in budget cuts**
- 2) Reinstatement and prioritisation of nature grants, ensuring NGOs are listened to when we highlight how they do and don't currently work**
- 3) Make sure that funding for sustainable farming is the route to nature recovery, not an afterthought**

What we need to deliver the '30 by 30' target & other COP 15 commitments

In March 2023, WEL launched our report: ['Pathways to 2030: 10 Key Areas for Investment in Nature's Recovery in Wales'](#). Working with economist, Matt Rayment, it estimates costs for restoration priorities along the following themes: access and public

participation; farmland; coasts; seas; peatland; grassland; protected sites; rivers and wetlands; woodland; and species. We set out actions that are divided between: stopping activities damaging to nature; reducing adverse effects on nature; and starting positive actions for nature's recovery. It's essential to remember that halting further damage is equally as important as starting to make positive interventions. Budgetary decisions aren't just about where money is spent, but where money is saved, and we can save both money and nature by not funding businesses, sectors or jobs that are overall damaging to nature or the climate.

For example, under our Peatland chapter, we urge for any activities that destroy peatland – like burning or planting trees in the wrong place – to be stopped immediately, and to implement the UK-wide ban on peat for horticultural use. Whilst restoration itself costs money, much action can be taken by being bold enough to stop actions that are damaging.

In addition, not all of the actions are something for Welsh Government to do; we wholly agree that tackling the climate and nature emergencies should be done on a 'Team Wales' approach; or indeed, a 'Team UK' approach, ideally. Another significant but cost-effective ask is under the Grasslands chapter, of simply improving the management of our 30,000 miles of roadside verges and public green space. This is more of a procedural change than a funding change. But it does take people to coordinate and drive forward action, especially when it's working in a new way, so we propose a team of champions and advisors to provide guidance to local authorities, businesses and gardens, with a communications budget, at a total cost of £400k.

The additional annual spend we are calling for, to deliver **all** the actions outlined in the report, is £158m. For the cost of an environment that supports our society without short-changing future generations, it is not a huge sum. For example, there is often more budget available for sustainable transport – such as through Active Travel grants to local authorities, changes of signage as lower-traffic neighbourhoods are implemented via the 20mph speed change, and significant policy changes to road-building in general. We support all of this wholeheartedly, but although lowering our carbon through transport is important, it's only one side of the coin.

A policy of increasing our biodiversity while lowering our carbon emissions encompasses both sides of the coin, and we'd like to see nature and transport have equal priority in Cabinet discussions. It's also a very impactful policy, and arguably –

just as lower mileage saves money to the NHS via fewer accidents – it is equally a form of a preventative spend / ‘invest-to-save’ approach. We need to restore nature whilst there is still some to work with, rather than trying to reintroduce biodiversity to barren places. It will only get more expensive and difficult to do, the longer we go on.

Much of our suggestions are already in train, in some form, within Welsh Government, but they lack the scale, detail or follow-through necessary to have a significant impact. We welcome many of these initiatives but are disappointed by their small scale, the lack of conclusive action or implementation, and weak commitments that have not been prioritised or followed through on yet.

For example, for our seas – often one of the lowest priorities for intervention – one of the key things we have to stop is unsustainable fishing. The Welsh Government and Natural Resources Wales have worked together on the ‘Assessing Welsh Fisheries’ project to better understand our fish stocks and the relationships with corresponding fishing practices, which we very much welcomed. But this started in 2016 and, seven years on, the assessments haven’t all been completed, let alone new management measures considered and put in place. Every day we delay action is another day when our food webs are out of balance.

Another significant intervention would be the introduction of a Marine Development Plan, so we can properly manage conflicts of use between fisheries, renewables, extraction, shipping and tourism. Again, the Welsh Government has agreed that our pre-existing Marine Plan will go in a similar spatial direction, in order to set out that balanced approach; but no action has yet been taken and that particular department remains hugely under-resourced.

On a UK level, the JNCC’s [Marine Biodiversity Monitoring Programme](#) – an integral part of delivering commitments under the UK Marine Strategy – has never been funded and it’s not clear if it ever will be or how the four nations would come together to do so. If our monitoring is patchy, then we have no hope of fully understanding, let alone tackling, the problem of decreasing marine biodiversity.

This is a common trend in Welsh Government when it comes to action on nature and climate; well-meaning policy, but without the scale, commitment, resources (either in people or project delivery) or follow-through to see the real benefits.

Funding available to the eNGO sector

Delivery of Welsh Government policy is increasingly dependent upon collaboration with the voluntary sector, and if we are to be able help in monitoring and delivering on anticipated nature targets, then we need to continue to exist and become resilient, so we can indeed join 'Team Wales' together in recovering nature. Those who have worked in the environment sector long enough see the same discussions recycled time and time again. It seems, every few years, someone decides "something must be done" – by which time the evidence needs updating and new people need informing. We need to strike while the iron is hot and cut out the need for further repetitive discussions by quickly taking positive actions.

A 2021 [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. Following Brexit, the pandemic and drop in available funding – with most funding from foundations being prioritised for those most at risk of collapsing – NGOs continue to struggle to survive. Many are able to cultivate their own membership subscriptions and fundraising efforts, so we can often provide good value for money in matching and topping up that public investment.

The most resilient basis for us is 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 NGO activities. Full cost recovery can make or break bids, particularly for smaller environmental NGOs, with the cost of project support being a barrier for many. Core funding is still lacking yet is essential for policy and administrative consistency, retention of expertise, and to support project development capacity and collaborative working.

Capital funds often have a very short timeframe for spend, and timing can be crucial. For examples, funds that are only confirmed to an organisation in November might expect a project to be delivered by April, over winter months when the weather restricts the kind of work that can be done, and the potential extent of improvements can therefore be significantly reduced and restricted. Many projects require the host organisation to absorb long-term maintenance and legacy costs, which again, do not

come for free. Even a volunteer-led initiative needs coordinators, tools and responsible leaders to embark on it safely.

More development funding is needed for eNGOs (environmental NGOs), especially smaller eNGOs operating on smaller budgets. Specific project development funding would facilitate the development of more informed long-term projects, allowing us to be proactive, rather than reacting to funding as it becomes available and/or changing projects to meet one-off funding criteria. We recognise and appreciate elements of capacity and capability funding through Round 3 of the Nature Networks Fund. This is welcome and needs to be an annual occurrence embedded within similar funds. This should not, however, replace any forthcoming Investment Readiness Fund that supports organisations to test new finance investment propositions as this is much needed as a platform to enable further resources and funding into nature's recovery. England and Scotland already have schemes running; Wales is falling behind on this agenda and needs a framework to enable and encourage appropriate ethical investment.

In general, revenue funding is in short supply and it's ironic that the [Welsh Government](#) itself has made "a formal request to the UK Treasury to switch some of our capital budget to revenue during this financial year to meet the inflationary pressures", emphasising that they are "not requesting any additional funding, just the freedom to deploy our existing budget in a way that enables us to deliver our priorities without the artificial straitjacket of our current unsatisfactory fiscal framework". We would welcome the same level of flexibility and understanding from Welsh Government in deploying their grants.

Currently available nature-related grants and Deep Dive commitments

In June 2021, the Senedd declared a nature emergency, and in October 2022, the Biodiversity Deep Dive assessed how Wales can deliver the '30 by 30' target, reflecting commitments made at COP 15.

Many of the commitments made under the Biodiversity Deep Dive are for actions that are included in WEL's Pathways to 2030 report, and in our oral evidence to the Climate Change, Environment and Infrastructure Committee in June 2023, we called for the development of a costed Nature Recovery Action Plan for Wales, owned by the whole of the Welsh Government, across Cabinet. This would give a clearer picture of the

investment needed to deliver Welsh Government's ambitions for nature restoration and recovery, and enable the benefits of investment in nature and opportunities for integration and collaboration between portfolios and sectors.

The first recommendation of the Biodiversity Deep Dive is to: "Transform the protected sites series so that it is better, bigger, and more effectively connected", with actions including "expanding and scaling up the Nature Networks Programme to improve the condition, connectivity and resilience of protected sites." This has been endorsed by the latest [State of Nature 2023](#) report, outlining the continued decline of our wildlife, with 18% (1 in 6) of our species at risk from extinction, including the Fen Orchid, Water Vole and Sand Lizard. Moreover, continued pressures on wildlife mean that Wales is now one of the most nature-depleted countries on earth. The abundance of land and freshwater species has on average fallen by 20% across Wales since 1994. Wales has committed to ambitious targets to turn around the loss of nature and whilst there is some progress, the response is still far from what is needed to delay the scale and pace of the crisis.

The Nature Networks Fund – via Welsh Government funds, administered through the National Lottery Heritage Fund (NLHF) – is an excellent opportunity to focus on reversing these trends, but in Round 3 this year, members were informed that Welsh Government have cut £3.37m. This sliced the budget available from £12.27m to £8.9m which, including administration fees for NLHF, is a reduction of 27%.

The timing of these budget discussions, and consequent uncertainty, impacted the ability for NLHF to deliver its large grant funding programme and this vital opportunity has now been lost for this financial year, meaning no grants in the larger bracket will be awarded to start delivery in 2024/25. This is a massive blow to the environmental voluntary sector who have long awaited this funding programme as one of the key tools for delivering on 30 by 30 and the other Deep Dive recommendations. The introduction of project development funding was a welcome part of Round 3 of the Nature Networks Fund; however, the expectation that these should be shorter than two years curtails ambition. Meaningful development activity can have a longer timeline to develop robust foundations on which to launch a delivery project. Moreover, capping organisations to one application per organisation lacks parity across the sector and is stunting ambition.

This comes after Ministers and Welsh Government officials have repeatedly cited the Fund as a key pathway for support for collaborative habitats and species ambitions within protected sites. In 2022, WEL members were informed that the NLHF received 36 Expressions of Interest – totalling more than £30m – for the larger two-stage process alone. This is three times more than the total available budget under both the large and medium Nature Networks opportunities, and shows the level of demand, need and opportunity to deliver at scale. In anticipation for this Round, RSPB Cymru alone spent months and tens of thousands of pounds developing programmes and projects in partnership with others, in the hope of NNF3 support to deliver on 30 by 30 ambitions in 24/25 and beyond.

Many funding pots focus on habitat conservation, but we must not ignore the need for specific, targeted species conservation as well. Funding needs to remain available for this sort of work, inside and outside of target habitats. Similarly, lots of projects, understandably and admirably, call for community engagement as part of project criteria – however, many of our priority habitats and/or species are in remote or particularly rural areas with restricted access (e.g. the Large Heath Butterfly), which can severely limit opportunities for public engagement. We do not think that difficulties meeting public engagement targets in these circumstances should count against bids. In these cases, there is nearly always still an argument for indirect public benefit, with citizens depending on clean air, water and resilient food systems to thrive. Just because there isn't an immediate or direct visual benefit to a community, doesn't mean they won't benefit more broadly, or that nature's intrinsic value is worth any less because it's initial recovery area isn't near a populous area.

Need and Impact assessment of budget cuts

Despite the nature emergency being declared and clear evidence of its need for support, current funding opportunities for nature impact at scale in Wales are considerably lower than 5 years ago, and the nature sector is facing a death by a thousand cuts. There is no replacement to post-Brexit EU LIFE funding in sight; a lack of current landscape-scale partnership funding available through National Lottery; other mechanisms such as Rural Development Plans unavailable; no specific species funding programme such as the Species Survival Fund in England; a gap in certainty of support for land management before the new Sustainable Farming Scheme is in place; and no clear route or timetable to support and guide appropriate conservation investment from private sources into Wales.

Whilst medium grants up to £250k like The Woodland Investment Grant (TWIG), Local Nature Partnerships programme and indeed the medium Nature Networks Fund are welcome, they are not fully addressing declining biodiversity; nature needs us to act across landscapes, together and at scale, with a true Team Wales approach. Therefore, by design, they fall short of delivering against the very heart of connectivity depicted by [Lawton's principles](#) and NRW's Resilient Ecological Networks of bigger sites, better condition, more of them and better connected.

The large funding facility (£250 – £1m) within the Nature Networks Fund was the only grant route for funding truly collaborative partnership delivery for multiple years (in order to meet 30 by 30 targets) available through Welsh Government. Without such funding support, projects in their current form and scale cannot progress and yet another year will pass without progress to support nature in a time of urgent need. Anything under £250k makes it very difficult to work at the scale we need to involve multiple partners and make a strategic difference.

As already noted, most of these funds require community-level involvement as well; whilst we applaud the principle and try to do this wherever and whenever we can, some areas in urgent need of attention do not have any nearby communities or any people that are able to contribute to its work. We cannot dismiss nature projects just because they are too remote or the actions too specific / requiring certain levels of expertise, to enable them to include the desired level of diverse communities. Some natural areas are truly hard to access, but it doesn't make them any less worthy of regeneration and recovery, but with that recovery, many places can become MORE accessible in future.

As a way to tackle some of these issues, we call for the following in budget discussions:

- 1) Don't make nature the scapegoat in budget cuts:** Protect nature budgets for 2024/25, including capital revenue mix within Nature Networks 4 Fund (NNF4).
- 2) Reinstate and prioritise the large grants funding facility within NNF4:** this will enable impact for nature at scale and help connectivity-supporting collaboration across the sector.

3) Prioritise the early launch of NNF4 in 2024/25: The current scheme runs one round launching in late summer, with award in March the following year. This is not an effective and efficient way of funding nature as most work needs to happen in Autumn, Winter, and Spring. Bring forward NNF4 to allow projects to be signed off in September and delivery and impact soon after. This will help make up for no large grant facility this year. One route forward would be to launch early in 2024 and run a second round in the autumn – more than one round each year would enable projects with different seasonal requirements and also give early notification of deadlines within each year. The latter is really important to help plan projects for bids. Longer term project opportunities are always far better, and we know that is asked for across different sectors and organisations, because long term planning can only be enabled by long term funding.

Rural Affairs budget

Due to the nature of the Common Agricultural Policy, much of nature's declines have been due to historic agricultural practice that went in the opposite direction of nature-friendly. It is not the sector's fault, but this needs to be rectified; as the main driver of loss, it must also be the main driver of recovery.

In straitened financial times, spending on farming and nature has to be efficient, effective, and delivering value for money. With a squeezed Rural Affairs budget, spending must be well targeted, and this includes sending clear positive signals to 'pathfinder' farmers. These are the innovators who will, with the right investment support, lead the transformation of the farming sector to a new default position, where production of food and nature are seen as complementary purposes of farming and rural support. Investing in transformation must be weighted towards supporting change, rather than maintaining the status quo. Unfortunately, very little seems to have been done on working with pilot or demonstrator farms, to help support peer to peer learning and collaborative practice.

The Sustainable Farming Scheme (SFS) needs to ensure that its budget delivers management at scale, as well as restoration and enhancement. This will require a balance between the Universal, Optional and Collaborative elements of the budget. It also means that the shift from basic payments likely needs to be more accelerated than the linear 20% annual reduction, which appears to be under discussion. Such an approach will not sufficiently actively encourage farmers to begin their transitions as

early or as quickly as is needed, given the scale of change required. This, in turn, means that value for money will be compromised in terms of the scheme's and the Government's nature recovery aims.

With the Scheme still not finalised and the Agriculture Act being quite high-level, we are still not assured that this will be implemented properly and are very concerned about the anticipated drop in funding. In the [Finance Minister's statement](#) in October, she said the Rural Affairs revenue budget needed to be reduced by £17.3m, and the capital budget by £20.2m. We would be keen to know where this will fall; i.e. if the Sustainable Farming Scheme (SFS) is going to be as low as £200-250m available in funding. We consider it essential that the funds are targeted into top actions for nature and climate. The majority of the budget should be allocated to land management actions delivered through the Optional and Collaborative layers of the SFS. These actions must be built upon an effectively monitored and enforced regulatory regime and SFS Universal requirements that raise farming standards for nature and climate. Whilst we continue without a strong regulatory baseline, pollution will continue and intensive farms that create that pollution will continue to profit whilst the taxpayer cleans up their outputs.

The Habitat Wales Scheme – the interim scheme between Glastir schemes and the SFS – is offering payment rates 45% lower on average than habitat payments in Glastir Advanced, and no support for whole-farm organic management. At the time of writing, the Rural Affairs Minister has [indicated](#) that a budget for organic support is available. This is a positive development that, if confirmed promptly, could prevent a potential collapse in the Welsh organic sector.

The Minister [stated](#) that Habitat Wales provides a 'seamless transition' to the SFS, but we're very concerned that the reduction – coupled with the ongoing uncertainty about the SFS – may place wildlife habitats at risk; Glastir contract holders seeking to maintain their incomes during these challenging times may have no choice but to move away from nature-friendly farming practices. Farmers may also conclude that the Habitat Wales Scheme's low payment rates set a precedent for the SFS, resulting in increased uncertainty and lost opportunity for nature friendly farming.

This move risks undermining years of investment in agri-environment measures and the gradual building of trust and credibility of these tools with farmers. Payment rates for management of important habitats are much lower than in previous schemes.

Forward thinking farmers – those who have been incorporating more nature-friendly practice into their businesses already – are looking at the payment rates on offer and wondering whether they have been making a strategic mistake.

We would question if the payments in the Habitats Wales scheme represent a ‘rehearsal’ for the rates which farmers can expect to see in the universal element of the SFS. If so, it would not be unreasonable for farmers to argue that reduced payments should be mirrored by reduced scheme requirements. This raises the uncomfortable prospect of the SFS offering its widest universal entry as a kind of ‘bargain basement’, where modest amounts of money secure modest environmental benefits. In the context of Welsh nature in crisis, this would be a poor outcome. It is imperative that the SFS universal layer rewards only positive management of habitats. If instead, it is payment for registering habitats without clear commitments to specified good management, this will undermine the efforts of those farmers striving to do their bit for nature.

A full-scale holistic transition in the farming sector should also lead to savings in the NHS, and we must not lose sight of these longer-term goals in the face of current budget shortfalls. The Welsh Government’s [‘Healthy Weight: Healthy Wales’](#) consultation document reported that illnesses associated with obesity are projected to cost the Welsh NHS more than £465m per year by 2050, with a cost to society and the economy of £2.4 billion. On top of this, [recent research by WWF-UK](#) suggests that a food system more closely aligned to their proposed Livewell diet would supply people with more affordable food than the current diet. This is achieved while still enabling a significant export market for certain products, including lamb, milk, beef, and oils.

The SFS, done right, could be a game-changing tool for nature. We must not lose this opportunity. And we must not lose a generation of farmers who want to farm with nature.

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.



Swyddfa Caerdydd
 Tramshed Tech
 Uned D, Stryd Pendyris Caerdydd CF11 6BH
 F: 07498 228066 | E: enquiry@waleslink.org
 Trydar: @WalesLink

Cardiff Office
 Tramshed Tech
 Unit D, Pendyris Street, Cardiff CF11 6BH
 T: 07498 228066 | E: enquiry@waleslink.org
 Twitter: @WalesLink

www.waleslink.org

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 30: Ymateb gan: y Gymdeithas Frenhinol er Gwarchod Adar (RSPB Cymru) (Saesneg yn unig) | Response from: The Royal Society for the Protection of Birds -RSPB Cymru (English Only)





RSPB Cymru Submission to Inform Scrutiny of the Welsh Government Draft Budget 2024/2025

RSPB Cymru is part of the RSPB, the UK's largest nature conservation charity, inspiring everyone to give nature a home. Together with our partners, we work to protect threatened birds and wildlife so our towns, coast, seas and countryside will teem with life once again. We play a leading role in BirdLife International, a worldwide partnership of nature conservation organisations.

Summary

We welcome the opportunity to provide evidence to inform Committee scrutiny of the Welsh Government's 2024/25 draft budget proposals. We appreciate the extremely difficult economic landscape in which the 2024/2025 Budget is being delivered.

- Current allocations under the Climate Change budget and the Rural Affairs budget will not be sufficient to meet the scale and pace of delivery required to address the nature and climate crisis.
- There has been a reduction in grant funding available under the Nature Networks Fund in 2023-24, which leaves a critical gap in the sector's ability to develop large scale, collaborative projects to contribute to delivering the '30 by 30' target. Funding should be reinstated for 2024-25 and grants (including large grants) allocated in a timely way to secure value for money by maximising the time available for delivery.
- A costed Nature Recovery Action Plan is needed to provide a clarity on the investment required to deliver on commitments under the Biodiversity Deep Dive and the Global Biodiversity Framework. The Plan should be owned by the whole of the Welsh Government to enable the wider benefits of investment in nature and opportunities for integration to be explored.
- The funding gap for nature demands an increase in public investment, but is too great to be addressed through public investment alone. The Welsh Government has a critical role to play in enabling responsible, private investment into nature's recovery in Wales.

The Case for Investment in Nature

The [State of Nature Wales 2023](#)¹ reported that the abundance of land and freshwater species has on average fallen by 20% across Wales since 1994, and one in six species is at risk of being lost from Wales. Historic and continued pressures on wildlife mean that Wales is now one of the most nature depleted countries on earth. The Welsh Government has committed to ambitious global targets to turn around the loss of nature, and has promised to bring forward legislation to introduce legally binding nature recovery targets for Wales. These commitments are very welcome, as whilst there is some progress, our response continues to fall short of meeting the scale and pace required to address the nature and climate emergency.

In the context of the current cost-of-living crisis, it is vital to ensure that budget allocation is not only efficient but also strategically farsighted. Investing in nature, as emphasized by the [Dasgupta Review](#), is not just an environmental imperative but an economic one. This review highlights a

¹ See the full suite of 2023 State of Nature Reports, including the Wales report, at stateofnature.org.uk.

fundamental truth: economies are deeply rooted in nature. Embracing a Nature Positive approach, where nature is at the heart of all economic, political, and lifestyle decisions, can significantly enhance the effectiveness of investments in other sectors.

The World Bank's 2021 [report](#), "The Economic Case for Nature," reinforces this viewpoint, arguing that nature-smart policies not only mitigate the risk of ecosystem collapse but also offer dual benefits for both biodiversity and the economy. The report warns that the ongoing trend of environmental degradation heightens the risk of ecosystem collapse, which in turn poses systemic risks to economies worldwide. A collapse in even a limited range of ecosystem services would have profound negative impacts on the global economy.

There is ample evidence of the benefits of, and return on investment in nature. For example, a 2011 report for Defra estimated the annual value of SSSIs in Wales at £128m. 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. The economic benefits of investing in nature-based solutions to mitigate and adapt to the impacts of climate change can be substantial. Conservative [estimates](#) suggest that for peatland restoration, £4.62 of economic and social benefits can be expected from each £1 invested; for woodland creation, the return would be £2.79; while for saltmarsh it is up to £1.31².

Moreover, the financial implications of inaction are stark. According to BloombergNEF, the cost of protecting the most vulnerable natural resources today will nearly triple by 2030 if no action is taken. This forecast illustrates that safeguarding Earth's biodiversity now is not only an ecological necessity but also a cost-effective strategy. Delaying action will only escalate costs and diminish the potential for sustainable economic growth.

Preventative spending, which aims to avert problems before they escalate, therefore offers significant long-term economic benefits. Such spending has the potential not only to address the nature and climate crisis but also to strengthen economic resilience, enhance public health, and enrich educational outcomes. RSPB Cymru welcomes the work currently being undertaken by the Welsh Government's Budget Improvement and Impact Advisory [Group](#), in particular the focus of the work on integrating prevention into budget decisions, and we will continue to engage with this work over the coming year.

The Well-being of Future Generations (Wales) Act offers a framework to ensure that public policy decisions are made in a strategic, preventative, way with a view to the long term, taking an integrated approach and involving and collaborating with others. In oral evidence to the Climate Change, Environment and Rural Affairs Committee in June 2023 Wales Environment Link (supported by RSPB Cymru) called for a costed Nature Recovery Action Plan, owned by the whole of the Welsh Government, enabling opportunities to integrate action for nature (and its funding) across wider portfolios.

[Revised spending plans 2023-24](#)

We note that the Welsh Government's revised spending plans include an increase in funding under Climate Change and Health portfolios. However, we note that a significant portion of the uplift in the

² 2021 RSPB Economic benefits of nature-based solutions. Cambridge Econometrics.

<https://www.camecon.com/what/our-work/rspb-economic-benefits-of-nature-based-climate-solutions/>

Climate Change budget includes a £125 million allocation to Transport for Wales; i.e. the increase in the Climate Change budget does not reflect an increase in budgetary commitments to delivering the commitments of the Biodiversity Deep Dive (see below). In fact, as set out below, we have seen a reduction this year in the Nature Networks Fund, the key Welsh Government grant scheme for protected sites and resilient ecological networks.

The increase in the Health and Climate Change budget has been counterbalanced by reductions in all other budget areas, including the Rural Affairs budget. The combined impact of a 50% cut in the rural affairs capital budget, amounting to a £20.2 million reduction, and a £17.3 million decrease in revenue funding, results in a total reduction of £37.5 million. This cut represents approximately 8% of the total rural affairs budget, marking a substantial loss in funding for the rural sector. This is bad news for nature, too. Ninety per cent of Wales' land is in agriculture, and policy-driven changes in farming practice have been identified as the biggest driver of biodiversity loss on land. Farming, with the right support under the developing Sustainable Farming Scheme, therefore has a critical role to play in nature's recovery.

Departmental budgets in 23-24 are likely to be squeezed due to the UK Government's decision not to uplift these in line with inflation at the Autumn Statement. The First Minister has stated that budgets are [£1.3 billion](#) short of what is needed for 2024-25 meaning that most departments, including agriculture, will face real cuts. These are serious funding cuts which will potentially significantly harm efforts to reverse biodiversity decline.

[Funding Nature's Recovery in Wales](#)

[The Biodiversity Deep Dive](#)

In October 2022, recommendations of the Biodiversity Deep Dive were published, following detailed work with a number of groups of experts and stakeholders on how Wales can deliver the '30 by 30 target' – the global target to protect and effectively manage 30% of land and freshwater, coasts and seas by 2030, through protected areas and other effective area based conservation measures. The recommendations include specific commitments to increase resources and support delivery, which we would expect to see reflected in the Welsh Government budget for 2024-25, including:

1. Expanding and scaling up the Nature Networks Programme.
2. Increasing the delivery capacity of the National Peatland Action Programme.
3. Funding Local Nature Partnerships.
4. Establishing a targeted scheme to support restoration of seagrass and saltmarsh habitats along our coastline.
5. Completing Wales' Marine Protected Area network and securing appropriate management.
6. Ensuring protected sites are a priority for NRW and providing adequate funding.
7. Increasing capacity and capability in public bodies to undertake enforcement (longer term).
8. Ensuring designated landscapes are funded adequately to deliver nature recovery at the landscape scale (longer term).
9. Investing in skilled advisors to engage farmers with the new [Sustainable Farming] Scheme and maximise the potential benefits for nature.
10. Investing in sustainable land management pilots to build knowledge and experience in delivery for species and habitats. (The longer term actions point to the critical role of the

SFS in supporting protected sites and landscape scale nature recovery, and commit to developing and enforcing minimum standards).

11. Implement a spatial approach to marine planning identifying the ecological constraints and opportunities for different marine activities including renewables.

Work is still underway to develop the detailed action plans to support delivery of these commitments.

In evidence to the Climate Change, Environment and Infrastructure Committee in June 2023, Wales Environment Link set out the importance of developing a costed Nature Recovery Action Plan, in response to the Biodiversity Deep Dive and the wider suite of targets in the Kunming-Montreal Global Biodiversity [Framework](#), to provide a clear picture of the investment needed to deliver the Welsh Government's ambitions for nature restoration and recovery. This is essential in the context of the commitment to bring forward legislation to establish legally binding nature recovery targets for Wales during the current Senedd term.

Wales Environment Link's ['Pathways to 2030'](#) report, published in March 2023, sets out some of the key actions required to achieve nature's recovery and estimates the public investment needed to deliver on these. The report identifies additional spending needs to deliver the listed actions of £158 million per annum (however, this is likely to be an underestimate as it assumes the repurposing of £273 million per annum of rural payments to pay for the provision of environmental public goods under the Sustainable Farming Scheme, based on modelling done by Matt Rayment in 2019. As described below this work has been updated in the light of wider changes, and the funding required to deliver environmental land management commitments in Wales is now estimated at £496 million per annum).

Nature Networks Fund

The Nature Networks Fund is a central mechanism for supporting collaborative efforts in habitats and species conservation across Wales. It remains the only large grant programme through which Welsh Government is able to support collaborative, multi-year partnership projects to improve the condition of protected sites. As such it is the Welsh Government's key funding mechanism for delivery of the 30 by 30 target.

Following the publication of the State of Nature Report 2023, the Climate Change Minister announced a £15 million investment in the Nature Networks Programme for 2023/24. This includes an uplift in NRW funding for peatlands. While the emphasis on peatland restoration and funding for NRW is a positive step, it came alongside a reduction in the funding available to enable the wider environmental sector to contribute to delivering the 30 by 30 target.

The funding available to the third sector, via the Nature Networks Fund 3, was reduced by £3.37 million, from £12.27 million to £8.68 million, including administration fees through NLHF. This represents a 27% reduction. This figure (£8.68million) also now includes the £2m revenue Capacity and Capability Fund that was originally set aside for Investment Readiness, and not part of the Nature Networks Fund. Therefore, whilst this £2m is welcome and has not technically been lost, it is adding confusion and disguising a cut from the original NNF3 budget in external communications.

Furthermore, the delayed release of budget decisions on NNF3 have cut into the time available for grant application processes, meaning that the anticipated large grant facility has not been made

available in this round. This is deeply disappointing, and a backward step, as it removes a key funding avenue for the large-scale collaborative projects that are essential to nature's recovery.

In general, the launch of the NNF in Autumn, with awards released in March, is not ideal. As most conservation work needs to be undertaken in the Autumn, Winter and Spring season, the allocation of the fund based on this timeframe significantly undermines the impact that the fund can have year on year.

RSPB Cymru is calling on the Welsh Government to:

- Ensure the cut to the current year's grant funding is reversed for the coming financial year (2024-25).
- Reinstatement of the large grants facility for 2024-25.
- Launch the 2024-25 grants programme early – at the beginning of the new financial year – to ensure maximum benefits for nature are realised through delivery of funded projects.
- Provide clarity on the budget for Investment Readiness

Sustainable Farming Scheme (SFS) & Habitat Wales Scheme

A 2023 [report](#) prepared for RSPB, National Trust and the Wildlife Trusts by Matt Rayment - ***An assessment of the financial resources needed for environmental land management in the UK***³ - concludes that the overall costs of meeting environmental priorities through farming and land management in the UK are estimated at £4.4 billion per annum over 10 years. The report also indicates **Wales requires £496 million per annum** over ten years to meet environmental land management priorities e.g., via the Sustainable Farming Scheme. This is an update of a report last prepared in 2019, and the estimated costs for Wales have risen, having been updated to reflect Net Zero targets and significant changes in the cost drivers affecting UK agriculture driven by factors like the war in Ukraine and the associated cost of living crisis.

We support the concerns raised by Wales Environment Link regarding the potentially concerning precedent of capping environmental payment set by the Habitats Wales Scheme as an interim measure ahead of the introduction of the Sustainable Farming Scheme in 2025.

Looking ahead to 2025, the Sustainable Farming Scheme offers the opportunity to lead truly transformational change across Wales in tackling the nature and climate crisis and ensure sustainable future systems for future generations. We believe that focussing taxpayers' money on securing environmental outcomes and promoting sustainable food production and onward supply chains will provide a strong value for money argument for maintaining and increasing the rural budget for Wales at a time when public finance is coming under great scrutiny.

We welcome the Biodiversity Deep Dive recommendations to invest in skilled land management advisors and pilot projects – these commitments are an essential element of the transition from current agricultural payments to sustainable land management, and will need to be met with corresponding commitments in the budget.

³ Matt Rayment 2023: An assessment of the financial resources needed for environmental land management in the UK <https://www.wildlifetrusts.org/sites/default/files/2023-06/Finance%20for%20UK%20Environmental%20Land%20Management%2C%20June%202023.pdf>

Nature Service Wales

Research commissioned by RSPB Cymru 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.

Additional jobs would be created through supply chain and multiplier effects⁴. However, the Future Generations Commissioner's office have identified a skills gap of 250 places per year to support the retraining of young people and professionals into jobs that are fit for a future workforce.

Building on the work of over 200 stakeholders across Wales, the NSW [Partnership](#) submitted a Business Plan for the development of a Nature Service Wales in January 2023. We welcome the support of Welsh Government in developing this plan. The next stage of delivery for the work, in line with one of three scenarios set out the Business Plan, now depends on Welsh Government support through dedicated funding.

The scale of investment needed for nature's recovery – the role of private finance

Given the extent of the nature funding gap, it is unlikely that the full range of government commitments, both on the international stage and through the Biodiversity Deep Dive, will be met solely through public funding.

We therefore welcome the commitment under the Biodiversity Deep Dive, together with ongoing work commissioned by the Welsh Government, to consider barriers and solutions to help channel private investment into nature recovery.

It is essential for the Welsh Government to play an active role in developing a regulatory framework for private investment in nature, in order to manage initial risks and support private investors while pre-empting unintended market consequences. Through a regulatory framework and the setting of clear standards, government can ensure that private investment in nature will deliver towards nature's recovery, support local communities and boost local economies.

We support the work undertaken by FinanceEarth in outlining the necessary steps for governments across the UK to [finance nature's recovery](#) in a responsible way, and we will continue to engage in this work as it develops in Wales.

⁴ Matt Rayment 2020 Developing a Green Workforce in Wales – Estimating the Scale of the Need and Opportunity [Developing a Green Workforce in Wales \(squarespace.com\)](#)

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 31: Ymateb gan: Barnardo's Cymru (Saesneg yn unig)| Response from: Barnardo's Cymru (English Only)



Senedd Cymru Finance Committee – Welsh Government Draft Budget 2024-25 Consultation

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.

We are grateful to have the opportunity to respond to this consultation particularly in light of the increasing financial pressures felt by children, young people and their families.

We would urge the committee to note our key calls to the Welsh Government throughout this document and to consider raising them through their scrutiny processes. In setting out their 2024/25 budget we urge the Welsh Government to:

- Focus on poverty, specifically income maximisation for families and implementing a direct payment to support those who need it most.
- Support children and their families facing increased costs through the extension of free school meals to all secondary school pupils and free transport for children and young people up to 18 and to 25 for care experienced young people.
- Commit to sustainable funding of vital support services.

We have responded to the questions that are most relevant to both our organisation and the children, young people and families that we support across Wales.

Questions

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

There are endemic issues facing the social care workforce. The Bevan Foundation has previously highlighted some of the concerns around pay across the social care sectorⁱ. Firstly, social care pay can be lower within the voluntary sector which can result in a loss of colleagues to the statutory sector. There needs to be a standard pay rate across the social care workforce for particular roles, which would reduce the loss of well trained and experienced colleagues to the statutory sector. This would force the actual cost of contracts to be recognised, rather than the voluntary sector being seen as a cheaper alternative. At the moment it is often impossible to run commissioned services within the restricted and minimal contract value commissioned by the local authority. The management overhead and costs we can recover are often restricted to 10% and sometimes can be as low as 7%. Whilst we understand that budgets are stretched, we believe that there is a need for an uplift on voluntary sector contracts, to help nurture and protect the social care workforce, and to enable us to maintain delivery. There are some contracts which have not seen an uplift or only minimal uplift in over 10 years. Our costs increase, as they do for local authorities however, this shortfall needs to be met and this is sometimes through charity funds.

Funding is a continuous challenge and has a direct impact on the young people and families that we support. Recently, loss of funding has meant that long-standing services have had to close their doors. For example, we had to close a service, in operation for nearly 30 years providing housing and support for young families with a focus on helping young parents gain the necessary skills, knowledge and awareness to live more independently in their communities and manage a tenancy. The loss of this specialist, targeted service leaves a gap in provision that may contribute to the escalation of issues these young people face. Whilst the difficulty of closing a service is often understood, what can be overlooked is the individual impact of this uncertainty about the future for young people supported by the service, which can have a negative impact on mental health and the wellbeing and development of their children.

During the pandemic, our services were able to make use of Welsh Government's emergency Covid funding to help support families. However, this funding has now come to an end, and this is making it even more difficult for us to support people and their families. The demand for services and the complex nature of the support needed, has also grown due to both the impact of Covid and the subsequent impact of rising inflation and the cost-of-living crisis. This inevitably adds further pressure to services. Please see question 7 for further detail on this issue.

Since the pandemic, in one locality area, our Families First/Flying Start contracts have been subject to nil or 2% uplifts. These services provide vital support to

families across a local authority area including specific support to children in their early years. We have seen increasing demand for this service and increased complexity of issues since the pandemic. This is below the rate of inflation and necessary wage inflation. In this same locality area, we understand that Welsh Government uplifted the budget to Local Authorities for the Families First programme by 9%, a rate not then mirrored in uplifts to external providers. Whilst we appreciate the financial pressures faced by local authorities, we remain concerned about the viability of some of our commissioned services where the awarded uplifts are so low. In some circumstances we will be forced as a charity to decide that service delivery under these commissioned contracts is not possible.

These financial challenges are also against a backdrop of huge increases in both need and referral demand. Previously, Welsh Government recognised this and made a grant available, however that grant was not renewed for 23/24, despite the situation being worsened by inflation. Thus, there is a 'need demand' fuelled by both the pandemic and cost-of-living crisis at a time of budgetary constraint whereby statutory children's social services are thresholding at much higher levels, consequently Families First is picking up the significant complexity of cases it was not designed to meet.

Additionally, support was provided to families through the free school meals initiative, which provided free school meals during term and food during holiday time. This provided vital support for families on low incomes particularly through the school holidays, which can be a time that families struggle most to feed their children¹. Despite this, the support was not renewed in July 2023 ahead of the long summer holiday break, with the ongoing cost-of-living crisis and very little notice to those who had previously been supported. We welcome Welsh Government's commitment to continue with the rollout of free school meals, however, we would urge this to be extended to secondary school pupils and to be continued through the school holidays.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? – How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

¹ [Cost of living: Parents feeling the pressure brace for summer holidays - BBC News](#)

It is essential that specialist services for children and young people are properly funded and there must be a commitment to sustainable funding including longer-term contracts to allow organisations to embed into the community. This must also include a reasonable level of annual uplift enabling these contracts to be affordable for providers.

Inflation is having an impact on the services that Barnardo's Cymru provides across Wales and there has been sustained inflationary pressures on services. This includes a lack of any uplift in direct support for services some for as long as over 10 years. The consequence of such a long period without an uplift is that services have faced a real-terms cut as inflation has risen and the cost-of-living affects services the same time as the people we are striving to support which is also driving up demand for some services.

There is significant concern that continued depreciation of funding, due to high inflation and little to no uplift for services, will put the delivery of such service contracts at risk. This would be a crisis, not only for local authorities, who we recognise are facing their own difficult funding and workforce challenges, but for the children, young people and families we support. A risk to services may leave them without the vital support that they depend on and have significant short- and long-term consequences for individuals and communities across Wales.

In addition to this, tender opportunities are being commissioned for multiple years without any inflationary uplift being applied to the contract value beyond the first year. This means we either are not able to bid, or if it is an existing service, we have to make the difficult decision not to bid, or it means the provider sits with the risk of having to reduce staffing in future years. Sometimes commissioners will say they will have a conversation with the successful provider on an annual basis, but this does not give providers any security or assurance of an uplift. Commissioners need to either include an uplift in their tenders, and/or write into contracts that providers can negotiate on contract value and/or reduced reach/targets going forward, as well as ability to manage budgets over the life of the contract (e.g. we may have more costs in the first year due to setting up but less in year 2).

We are also seeing tenders that do not have enough funding attached to the specification requirements expected by the commissioner, some examples:

- A Family Support service where the annual contract value does not cover TUPE costs.
- A Young Persons service with 24/7 support required and the staffing alone totalled more than the available annual budget.

- Tenders (family support/wellbeing) where the budget and/or specification would require a high reliance on delivery via volunteers, but the level of work/risk would typically need to sit with paid professional staff and the expectation to recruit a large number of volunteers would make it difficult to achieve.
- A tender in a rural area where the budget did not factor in high mileage costs.

Often third sector delivery costs less for local authorities as they pay a lower management rate and do not have to cover their on- costs e.g. pensions, buildings etc. Therefore, in the majority of cases, if local authorities delivering these services 'in-house' it would ultimately mean higher costs for local authorities themselves which would impact their already stretched budgets even more. If there are funding gaps or reallocations to contracts, this poses risks to the continuation of the initial service but also potentially to other local authority provision.

3. What action should the Welsh Government take to help households cope with inflation and cost of living issues? – How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

Through our services we understand the challenges that families face across Wales. These challenges have been exacerbated by rising inflation and the cost-of-living crisis. In May Barnardo's Cymru launched our briefing² on these issues highlighting the difficult choices made by parents and the role, we, as a third sector organisation are playing to support those who need it most.

We know that the current cost-of-living crisis has exacerbated the impact of poverty. In February 2023, Barnardo's conducted representative polling of 1000 parents in Great Britain with YouGov³. 61% of parents surveyed in Wales told Barnardo's that over the last four months their financial situation has declined and that they are struggling with the rising costs of energy and food bills.

In our latest Barnardo's practitioner survey, 73% of Welsh respondents⁴ said they were supporting a child or families experiencing poverty. Across the 3

² [Barnardo's Cymru briefing on the deepening impact of poverty and the cost-of-living crisis on children, young people and families in Wales - ENGLISH.pdf \(barnardos.org.uk\)](#)

³ [Barnardo's Cymru briefing on the deepening impact of poverty and the cost-of-living crisis on children, young people and families in Wales - ENGLISH.pdf \(barnardos.org.uk\)](#)

⁴ The number of respondents was 51

months between June – September 2023, 79% of 34 practitioners said that they had noticed a change to the support needs, with 59% of these citing increased financial support needs among those that they are supporting.

This is significantly impacting the children and young people that Barnardo's Cymru supports. 88% of practitioners who responded to the survey⁵ felt that rising costs were harming children and young people's mental health and wellbeing.

To support those most in need we would encourage the Welsh Government to:

- **Focus on poverty**

We would urge the Welsh Government to continue to focus on tackling poverty and supporting those in our most under-served communities. This should be through a variety of targeted interventions, specifically focusing on income maximisation for families. We welcome the recent draft child poverty strategy but feel it must go further. Therefore, we would call on the Welsh Government to commit to a direct child payment. We know that families with children are more likely to be in relative income poverty than those families with no children⁶ and a direct child payment, similar to that being administered in Scotland, would go some way to mitigate against this.

- **Support children and their families**

Support children and their families through the extension of free school meals to secondary schools. We know that the costs associated with food poverty do not stop once a child makes the transition to secondary school and for families this can put even greater pressure on household budgets. We are encouraged by the Welsh Government's commitment to free school meals for primary aged children but urge them to go further and provide this at secondary level as well. We would also like to see free school meals during holiday periods reinstated. Whilst we understand the current economic pressures, we must ensure no child goes hungry during the school holidays.

- **Commit to sustainable funding**

Barnardo's Cymru works throughout Wales to support children, young people and their families but this is becoming more difficult. We have seen increased demand for services as well as increased complexity of support needs, which we

⁵ The number of respondents was 48

⁶ [Children in relative income poverty by family type and work status \(gov.wales\)](https://gov.wales/children-in-relative-income-poverty-by-family-type-and-work-status)

have explained in more detail in answers to questions 1 & 2. To allow third sector organisations to meet these increasing challenges Welsh Government must urgently address the pressures on services and their budgets through sustainable funding arrangements in line with inflation.

Cost-of-living support

We know that this winter is unlikely to be better than the last for families who will struggle to heat their homes. It is thought that bills could rise by as much as £94 over the year for the average family.⁷

Across Wales, 26% of applications to Barnardo's cost-of-living fund between June and September were for clothing, 17% were to prevent hunger whilst 10% of applications were for access to warm spaces. We know that families are struggling, 45% of those applying to the fund were those being supported by a Barnardo's Cymru's family support service. We strongly encourage the Welsh Government to prioritise the right interventions that put money directly into people's pockets in the short and long term. Despite some reduction in the price cap, energy bills are not falling at a rate significant enough or fast enough to match their pre-cost-of-living crisis levels and as of January 2024 are set to increase again, adding to the financial burden already faced by families this winter. As it stands, the support in place last winter has not been renewed, by either the Welsh or UK Governments, leaving families to meet the difference. This presents further challenges for the most under-served communities across Wales.

There was no commitment to the Winter Fuel Support Scheme in Welsh Government's 23/24 Budget, and we would urge Ministers to consider how additional support can be targeted at those most in need this winter and next, to prevent further fuel hardship and difficult choices for families.

Transport

The cost of travel is high, and it is a challenge for young people to manage this when faced with so many other rising costs. Young people have told us they feel this is a barrier to meeting friends, accessing services and getting to college.

Earlier this year we were pleased to see the long-called for uplift to Education Maintenance Allowance (EMA), from £30 to £40, However despite this uplift, young people have told us that they spend £20 of their EMA on travel⁸. They say

⁷ [Energy price cap will rise in January adding pressure on households - BBC News](#)

⁸ [Barnardo's Cymru briefing on the deepening impact of poverty and the cost-of-living crisis on children, young people and families in Wales - ENGLISH.pdf \(barnardos.org.uk\)](#)

that the cost of travel can be a barrier to opportunity. Young people have also told us they are noticing the increased cost of public transport and that this is causing worries and ultimately fewer opportunities to leave home, see friends and get out and about⁹. The transport strategy for Wales, Llwybr Newydd, aims to reduce the cost and improve the accessibility of sustainable transport for everyone in Wales, including students. However, it does not outline any support for travel costs for children and young people. This is disappointing and we would urge consideration of the impact of expensive travel for young people and the parents/carers who support them.

Young people have also told us¹⁰ they are feeling the pressure of bus service cuts, making it more difficult for them to get to college on time. Overcrowded buses make them feel unsafe and expensive costs are pushing them to stay home. We would strongly recommend the Welsh Government introduce free bus and train travel for young people up to 18 and up to 25 for care experienced young people, to support their educational, social and work prospects and to ensure that transport costs are not holding them back. We believe this could mitigate against the proportion of EMA being used solely for travel, mirror the good practice seen in Scotland, whilst also encouraging sustainable travel and ensuring that any further EMA uplift is available to support young people where they need it.

Young carers

Through our work in Wales, we know that young carers take on huge amounts of responsibility when caring for a relative but receive no financial support to do so. Young carers who support a family member with a disability are often unable to access paid work which can add further to the financial challenges of the family.

In families where a household member has a disability child(ren) are more likely to be in relative income poverty. In the year 2020 to 2021, the risk of being in relative income poverty was 31%¹¹ for children in a family with a household member with a disability compared to 26% of children in a household where no one has a disability.

Young carers' contribution to the economy and society is immense, and yet they often report feeling forgotten and unseen, whilst facing significant financial

⁹ [Barnardo's Cymru briefing on the deepening impact of poverty and the cost-of-living crisis on children, young people and families in Wales - ENGLISH.pdf \(barnardos.org.uk\)](#)

¹⁰ Evidence from a consultation session with young people in one of our services.

¹¹ [Children in relative income poverty by whether there is disability in the family \(Equality Act definition\) \(gov.wales\)](#)

challenges. Using the Young Carers ID scheme, we would urge Welsh Government to explore how a one-off young carer's payment of £500 (to match the unpaid carer's payment) could be introduced to support these young people.

Baby bundles

Several of our services offer family support and we understand the costs associated with a new baby for families. We were pleased that the recent draft child poverty strategy included the commitment to a universal rollout of baby bundles, in line with the Programme for Government¹². Following on from a successful pilot¹², we know that the introduction of baby bundles will go some way to ensure that all babies begin their life with the essentials they need, creating a baseline and ensuring that new parents are supported. However, despite assurance in May 2023 that a supplier would be procured¹³ we are concerned that the current financial deficit highlighted by Welsh Government over the preceding months may stall this vital progress. We strongly urge the Welsh Government to fully commit to funding this in the 2024/25 budget and beyond.

Mental health support

We know that poor mental health and poverty can be interconnected¹⁴. Some of the challenges associated with living in poverty, worrying about the cost of heating, eating and affording the essentials, can exacerbate poor mental health.

Our young people tell us¹⁵ that there needs to be better access to mental health support. They worry about being able to afford transport, food and housing and this exacerbates their mental health challenges. They face long waiting lists for support and when it comes, in some cases they are having to go out of their county to access this support.

Young people we support told us that every time they ask for help with their mental health it should be treated as an emergency, they do not want to feel forgotten while waiting and they want to be supported more quickly.

Barnardo's Cymru offers a holistic approach to supporting children and their families through our Cardiff Family Wellbeing Service which provides emotional and therapeutic support for families and children to improve their wellbeing,

¹² [Evaluation of Baby Bundles Pilot | GOV.WALES](#)

¹³ [Plenary 17/05/2023 - Welsh Parliament \(senedd.wales\)](#)

¹⁴ [Facts and figures about poverty and mental health - Mind](#)

¹⁵ From a consultation session with young people in one of our services.

mental health and relationships. Please see question 7 for more detail on this service and its impact.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

We know that the cost-of-living has significantly impacted people across Wales. For our most under-served communities this impact has been even greater and the people we support are often in desperate need. Barnardo's Cymru practitioners are incredibly anxious about the families that they support and are struggling with how to support them. One member of staff said:

'This is not something families can budget their way out of, it has become a way of life. Even the smallest treats – such as a magazine for children – don't exist anymore. We are trying to help people stretch their money as far as possible, all to cover just the most basic of needs. It isn't good enough.'

We recognise that many of the levers to address poverty sit with the UK Government and that Welsh Government has had to make difficult decisions in the current economic climate. However, we believe more could be done to reduce the number of children and young people living in poverty in Wales; ensuring funding is better targeted towards those who need it most.

It is important that the Welsh Government prioritises spending to support children, young people and their families, focusing on income maximisation, funding support services and implementing a direct payment. Previously we have set out key elements of support that we would urge the Welsh Government to focus on. Barnardo's Cymru has supported families across Wales through this cost-of-living crisis. Our internal support fund¹⁶ has seen increasing applications from struggling families. Most notably, families have applied for money to purchase clothing, food and access to warm spaces. Some families we support have been struggling with very poor home environments including broken furniture, mouldy or insufficient, and practitioners have helped them with urgent access to furniture, including beds and bed linen. We are concerned that some of this hardship could be interpreted as neglect due to the limited funds available to

¹⁶ <https://www.barnardos.org.uk/get-involved/campaign-with-us/child-poverty/get-support>

families and we repeat our call for no child to be removed from their family for the principal¹⁷.

– Is the Welsh Government’s approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Preventative spending is key to supporting families in Wales. Investment in this area can prevent problems from escalating, keep families together and subsequently reduces spending in other areas, particularly in the social care and health sectors. The services Barnardo’s Cymru offers can range from parental support to a whole family approach to mental health, supporting children, young people and parents to work through challenges particularly those on the edge of care. Welsh Government has repeatedly expressed hope and commitment to safely reduce the numbers of children entering the care system. Whilst we support this vision, without sustainable and committed funding to preventative, edge of care services across Wales, we fear this won’t be achievable. These are some examples of preventative projects Barnardo’s Cymru delivers:

Baby & Me

Funding edge of care services can lead to better outcomes for families such as through our Baby & Me service, a health and social care collaboration developed in partnership with Newport City Council through the Newport Strategic Partnership. This innovative work follows the evidence to work in trauma-informed and relationship-based ways with parents at risk of losing care of their infants in public family law proceedings. A service evaluation highlighted a 48% reduction in the number of babies entering care in Newport in the first 14 days after birth. Preventing babies from entering the care system, where safe and appropriate, can be better for the child as well as providing cost savings to the local authority over the lifetime of the child. Baby & Me has been highlighted as a best practice model for early prevention and recommended for rollout across Wales by the Senedd’s Children, Young People & Education Committee. Welsh Government has accepted this recommendation in part, subject to evaluation. We have this evaluation; and our evidence highlights the benefits for families and the cost benefit for wider services.

¹⁷ [Barnardo’s Cymru briefing on the deepening impact of poverty and the cost-of-living crisis on children, young people and families in Wales - ENGLISH.pdf \(barnardos.org.uk\)](#)

We urge the Welsh Government to consider the evaluation that has already taken place¹⁸, the potential lifetime cost savings and prioritise the rollout of the Baby & Me service across Wales when considering its 2024/25 budget.

Reflect

Barnardo's Cymru's Reflect service aims to break the cycle of repeat removals and provides holistic, intensive support at an extremely difficult time in people's lives. Parents that have experienced the loss of a child through statutory intervention express feelings of guilt, trauma and loss and stigma. When the judgement to remove a child is made and proceedings close, many women are left on their own with little or no support. Most of the women that we work with have experienced domestic violence, been themselves the victim of abuse and/or neglect as a child and have suffered from mental ill health for periods during their adult lives. Reflect supports women and their partners that have themselves experienced trauma and Adverse Childhood Experiences (ACEs). Some of these women, or their partners, are care experienced.

Research shows that women who have a child removed are more at risk of becoming pregnant within the next 12 months, yet the provision of sexual health education and support through the service has meant that 100% of women who received a service from Reflect in 2022/23 remained pregnancy free during and by the end of their support. Recent analysis of Reflect found that for every £1 invested in the service, the benefit to local authorities is about £4.10, and is equivalent to net local authority savings of about £497,000.

We know that the Welsh Government previously provided funding to local authorities to rollout the Reflect service across Wales. However, with no uplift or ring-fencing of funding, and with funding being amalgamated into core budgets this could result in delivery of the service not being implemented as intended.

Children's services staff within local authorities have been clear that they value the provision of Reflect that we offer however they are also facing increasing financial challenges, and this often means trying to do more with less.

Whole family approach to mental health

Our work with families in Wales has shown us that improving young people's mental health often requires an understanding of their whole family dynamic to bring about sustained change. Working in this way ensures that the network around the child or young person also embraces change, making families more resilient in the long term. We also recognise the long-term effects of poverty on

¹⁸ [Baby and Me Evaluation Executive Summary.pdf \(barnardos.org.uk\)](#)

health outcomes including the impact on the mental health and wellbeing of children and their families.

Cardiff Family Wellbeing supports young people and their families who present with emotional challenges and need support. The service can be part of a multi-disciplinary, early intervention strategy to support families and adopts its support based on child and family assessment. Aimed at early intervention, and prevention, the service supports the reduction in risk of developing enduring wellbeing related issues and thereby the numbers of families who may need statutory interventions. This is a crucial element of promoting good mental health across Wales.

We know that funding services that support families at the earliest point that issues present can prevent further escalation and the need for involvement from additional services which in turn can increase savings over time.

– How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

We would recommend that the document provided by the Welsh Government is accessible to children and young people. It is important that children and young people understand the financial impacts of the decisions the Welsh Government is making and how this will affect their lives.

We would like to see a young person's version of the final documentation.

It is important that there is meaningful engagement with children and young people when considering the draft budget and ultimately, the final budget. There should be a children's rights impact assessment to accompany the draft budget to ensure that the impacts and consequences of financial decisions are considered through a children's rights lens.

– 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?

We believe that Welsh Government needs to urgently address the pressures on third sector organisations and budgets across Wales. As previously highlighted, many of our services and practitioners are supporting increasing numbers of children, young people and families. This, coupled with a rise in more complex needs and little uplift to funding are adding to our ability to support the high number of children, young people and families in need.

Families First is an area where pressures are building significantly. As Welsh Government's draft child poverty strategy states that the intention of Families First services is to 'offer early support with the aim of preventing problems escalating'. However, due to rising statutory thresholds, increasing demand and the complexity of need which families are experiencing, in many places Families First now effectively occupies an edge of care role. This potentially leaves a gap where there should be support for families who require an early intervention or prevention response. However, Families First services continue to have to respond to early intervention/prevention cases, a demand that has increased severely through the pandemic and cost-of-living crisis. Added to this, the impact of inflation on the delivery of Families First provision is also having a severe impact on the ability of teams to meet high levels of need in the community. With no uplift to many contracts for several years, services are seeing real term cuts.

As an example, Barnardo's Cymru is the sole agency delivering the Families First team around the family co-ordination/response across one local authority area. Whilst we have seen an increase in complex cases (mental health issues and issues of domestic violence primarily), this service to a large degree, continues to be preventative. Nevertheless, referral demand for this service increased by over 40% in 2022/23, inflationary costs equated to approximately 8% for service, yet the Families First uplift for 2023/24 equated to less than 2%. In addition, Welsh Government additional funding to meet 'pandemic waiting lists', which provided two extra workers was withdrawn from April 2023. In 2022/23 the service had to access more than £90k from internal crisis funds and grants as well as other grant making bodies in order to help families and children in crisis – particularly with food and energy. However, we are very concerned that these additional grant making funds are reducing or being removed altogether.

Barnardo's Cymru calls on the Welsh Government to review Families First provision, the stress points most acutely affecting delivery, and how provision can be invested in for the future.

To conclude

We thank the committee for setting out this opportunity to put forward Barnardo's Cymru's key calls and concerns on the future Welsh Government budget for 2024/25. As set out in this document, we are increasingly concerned about the children, young people and their families we work with. The cost-of-living crisis and rising inflation are continuing to push our most at-risk families to make choices between food and fuel, a warm bed and a warm coat. We need to see strengthened investment in supporting families facing poverty including the recognition of the impact of poverty on mental health and wellbeing. We would urge the committee to keep the concerns outlined in this document in mind

throughout the scrutiny process and ensure that access to support for the most under-served communities is highlighted at every opportunity.

As an organisation, Barnardo's Cymru services and practitioners work hard to support children, young people and their families, to continue to do this we call on the Welsh Government to fully commit to longer term, sustainable funding of services and the workforce to ensure we, and others like us, can continue to meet this urgent increasing need.

ⁱ <https://www.bevanfoundation.org/wp-content/uploads/2021/05/Fair-work-in-the-FE-social-care-final.pdf>

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 32: Ymateb gan: Cynghrais Iechyd Meddwl Cymru (Saesneg yn unig)|
Response from: Wales Alliance for Mental Health (WAMH) (English Only)



**Welsh Parliament Finance Committee - A call for information –
Welsh Government Draft Budget proposals for 2024-25**

Response from the Wales Alliance for Mental Health

Introduction

The Wales Alliance for Mental Health (WAMH) is a collaboration of Wales' national mental health and suicide and self-harm charities. Together, we are committed to ensuring that people experiencing mental ill health in Wales are treated with compassion, have their voices heard and can access support services quickly and as close to home as possible.

Mental health is profoundly affected by people's experiences and circumstances. We aim to listen to and identify what matters most to our beneficiaries, where there is most need and how best to approach opportunity for change. We seek opportunities to advocate cross-government approaches, support early intervention and prevention and to embed a positive response to the effects of trauma.

In October 2023, the Alliance met to discuss the questions posed as part of this Call for Evidence on the Welsh Government Draft Budget proposals for 2024-25. Members agreed to respond collectively to some of the six questions outlined in the paper. The Alliance would be happy to discuss and elaborate on any of the evidence below should the committee request any further information.

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

How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

We feel there are several areas where improvement can be made by Welsh Government to address the issues faced by so many people experiencing and struggling from the effects of the cost-of-living crisis. Each of these areas are addressed separately below.

i) Financial support schemes

Adferiad's *Time to Take Control* campaign (launched in summer 2023) has travelled across Wales, highlighting Adferiad's Money Advice Service and encouraging people to take control of their options. The campaign survey results (sample of 110 respondents) reported that 67% felt their mental health had recently gotten worse, with only 28% of people reporting they have accessed support. As such, there is clear evidence that the Welsh Government could be doing more to provide easier

access to advice and advocacy relating to money management and debt, and to market the support available more effectively.¹

In terms of preventative actions, financial support schemes that prevent people from experiencing poverty and financial stress are extremely valuable. For example, the Guarantee Our Essentials Campaign run by the Joseph Rowntree Foundation and Trussell Trust is calling on UK political leaders to support the introduction of an essentials guarantee within the Universal Credit to ensure that the basic rate at least covers the essentials such as food and bills. From their research, food banks are seeing their highest level of need in a six-month period, with around five in six low-income household (receiving UC) going without at least one essential like food, a warm home, or toiletries².

Similarly, we would like to see a commitment from Welsh Government to reviewing and assessing how debt relief schemes are being promoted widely throughout Wales. The Mental Health Foundation's Cost of Living Report³ found that reducing debt has been shown to improve mental health outcomes. The report looks at the effects of a debt relief scheme in Sweden where results has shown that those in high debt but granted debt relief had better mental health than those who had not. We would like to see relevant public authorities commissioning sufficient debt advice in their local areas, assessing the avenues taken to reach the groups who need that advice the most. Promotion of such services could be via advice leaflets distributed to local GP surgeries and housing associations.

In addition, any income support schemes developed or introduced must also be operated in a way which does not provide barriers to access. We know that poverty stigma for example is associated with lower mental wellbeing. Accessibility to these services should be made simpler and more effective (whether this be via an automatic process) to encourage wider engagement from vulnerable groups more likely to experience stigma in accessing the schemes. We encourage greater engagement with Mind Cymru and Adferiad's national mental health anti-stigma campaign, *Time to Change Wales* to grasp a broader understanding of why people do not feel able to access the services.

ii) Continued investment in community infrastructure

We fully support continued investment in community infrastructure and funding valuable groups such as community groups, sports clubs, clubs for children and young people and so forth. Responding to community trauma and providing a safe place for people to go to combat stress without the barrier of cost is invaluable. Community programmes are so important as preventative tools, offering alternative peer support for day-to-day concerns and problems, and a source of therapy for someone who may otherwise seek support from their local GP. WAMH also

¹ [Adferiad's Cost of Living Campaign – Time to Take Control!](#)

² <https://www.trusselltrust.org/get-involved/campaigns/guarantee-our-essentials/>

³ [Mental Health and the Cost-Of-Living Crisis: Another pandemic in the making?](#)

recommends setting aside additional funding to enable fast-track access to these community groups, and any further initiatives which support them.

iii) Care and Treatment planning

We have long campaigned for an improvement in care and treatment planning for patients discharged from inpatient care. The plans should be recovery-focused with the patient at the core of the plan in terms of his/her needs. However, there is clear evidence that care and treatment planning is falling short of the principles set out in the Measure⁴, with plans often seen to be process-driven and written with little input from patients themselves and/or their advocate/families.

In addition to providing support for people in terms of their health needs, we must also recognise that part of the discharge process will involve setting out ways to tackle any financial challenges which they may come across, particularly in the current climate. As such, it is vital that the full scope of the plans are considered to go some way to improving and making a difference for people experiencing poor mental health.

iv) Impact assessments

The evaluation and assessment of any service is critical to understand the impact it is having on people's lives and how it is acting to alleviate any additional strain and stigma within societies. We believe the Welsh Government should commit to ensuring all Government decisions are assessed for their mental health impact. The Mental Health and Wellbeing policy assessment tool currently being developed by the Department of Health and Social Care in England is a good model to use. This should also be linked to the socio-economic duty within the Equality Act which came into force on 31st March 2021, as we know how closely linked financial hardship and experiences of poor mental health are.

v) Compassionate public communication

The Welsh Government must have good and effective communication with energy and other essential service providers to ensure they have procedures in place to respond compassionately and sensitively to customers, and to avoid any additional strain on people's mental health. This could be by signposting callers to mental health and crisis support, enabling a more mental health-aware and trauma informed approach to tackling the issues.

The launch of the recent NHS 111 Press 2 service has been a positive move to support people requiring urgent mental health support. However, we must be clear that behind any system are people who equally need the training and support in place to enable them to give good quality advice to those who need it. Platform has recently been commissioned to deliver that training offer. An adapted version of this training could also be rolled out to all frontline workers in health, social care and

⁴ [Mind Cymru – The Mental Health Measure – Ten Years On](#)

money and debt advice services to ensure a step change in how the public are receiving information on the support avenues available to them.

vi) Accessible public transport

Social isolation is known to be a risk factor for increasing mental health problems. We would like to see the Welsh Government invest in the infrastructure to ensure that transport is accessible and affordable for everyone, particularly for those living in rural areas. People need to be able to maintain social connections, go to work and attend medical appointments. We cannot underestimate the value of face-to-face contact on someone's mental health, particularly during a time where hybrid options are becoming more and more popular due to convenience.

6. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

No, collectively, we do not think that enough is being done. We referred earlier in our response to an opportunity for Welsh Government to review the schemes to alleviate the impact of the cost-of-living and financial hardship to ensure those eligible are aware of what's available to them. There also needs to be clearer links made between the funding identified to combat poverty and the achieved outcomes.

There is also an opportunity to explore the socio-economic duty in more detail. The Welsh Government could consider how and what it means for mental health and how budgets can be developed and built around that duty.

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

As individual charities, we have all been working separately to increase our cultural awareness and take steps to becoming anti-racist organisations. We believe the Welsh Government should be making further commitment to race equality, taking advantage of the support available from Diverse Cymru and the organisation's Cultural Awareness scheme. We also need to ensure budgeting that takes into account the challenges faced by minoritised communities of all kinds. Considering gender-based budgeting, addressing under-investment in specific communities, and making practical budgetary commitments to addressing these inequalities is key. Training is part of this, but financial commitment needs to follow.

Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

To enable a fuller response to this question, WAMH feels the Welsh Government should provide further clarity on the proportion of mental health expenditure on preventative work. We acknowledge that funding of preventative actions often sit outside the health budget.

It is also important to note that prevention in terms of mental health also links with recovery. A patient may be discharged following improvement in their mental health, however, support is needed to prevent someone from relapsing. There is a need to fund early intervention support as well as the support needed during a person's recovery.

How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

WAMH feels there is an opportunity for Welsh Government be more transparent in its funding decisions, also providing a breakdown of how money is being spent and the impact it has made. As detailed in the programme budget returns, more is spent on the mental health budget than what is included in the ring-fence. We feel it would be useful to see Health Board budget allocations to Mental Health Directorates.

We would encourage the Welsh Government to fully consider and acknowledge the continued pressure on third sector organisations in view of contracts being cut. We would recommend exploring the impact of the ring-fence and considering how the investment available is driving improved experiences and outcome for people seeking help.

How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

One opportunity which could be explored further is for Welsh Government to adopt prudent healthcare principles and link expenditure to outcome. However, this should also apply equally to design, commissioning, and delivery of services. It is not enough to expect people to be prudent with their health, if health services do not do the same. That means bringing free and informed choice, community-based services as alternatives to long-stay mental health wards, and investment in areas impacted by poverty and lack of resources.

Greater transparency and detail around NHS waiting times and the length of time people are being held in the system should be a continued priority for Welsh Government. Publication of the core data set has been slow and we are keen to see greater pressure placed on its rollout and publication. Addressing this shortfall in service provision is critical.⁵

⁵ https://www.mind.org.uk/media/7181/too_long_to_wait.pdf

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

We are concerned that the public sector and third sector is not able to engage in workforce planning. In particular, the relationship between the public sector commissioning practices and third sector delivery, needs urgent action. For example, local authorities can be accredited (albeit not by the Welsh Government) as Real Living Wage employers, but there is no way to ensure they *commission* on the Real Living Wage. What is happening increasingly, is that public sector commissioners are expecting the third sector to meet these commitments, which the sector is committed to, without the financial uplift to achieve this. This is creating a vicious cycle within our services, making it harder and harder to deliver services. We would like to understand more on how funding for the third sector is being monitored.

We are also concerned that money for innovation is provided but when funding runs out, and a successful programme is working well, there is an issue around how to sustain the innovation. With funding in Local Health Boards being so challenging, there is a concern that money for tackling issues in a new way could be limited as risk appetites are understandably reduced.

Has there been adequate investment from the Welsh Government in basic public sector infrastructure?

We believe that the pressures on public finances are moving away from infrastructure, and more towards meeting the crisis pressures that face our systems. This is creating the conditions for system collapse, where fewer and fewer preventative services, and less and less infrastructure exist, leaving people flooding our systems in higher and higher levels of need. Increasingly, this infrastructure failure is fuelling these higher levels of need. For example, people in poorer areas are increasingly asked to travel longer distances for mental health appointments, but they do not have the money to travel, they do not own cars, and public transport is infrequent and unreliable. In areas where the third sector works in the mental health system, it is this impossible situation people find themselves in that we struggle to address. As noted above, this face-to-face contact is imperative to combating issues of loneliness and isolation.

A lack of adequate investment from Welsh Government continues to take place regarding the implementation and continued delivery of the Independent Professional Advocacy (IPA) services across Wales as identified within the Social Services and Well-being (Wales) Act 2014.

IPA aims to improve the wellbeing of individuals where there is Social Services involvement. However, the Welsh Government provides no additional budgetary income to local authorities to commission third sector delivery of the service. This has resulted in local authorities across Wales reallocating resources from previously commissioned advocacy services, accessible to all individuals, to fund and provide the IPA service, which is only accessible to those involved with social services.

The failure to provide local authorities with a budget for adult IPA services is a significant oversight especially as providers of IPA are struggling to meet demand on the services due to limited budgets from local authorities. The de-funding of general advocacy service to fund IPA services has likely led to negative consequences for individuals, including the exacerbation of problems they face due to previous advocacy services no longer being available.

Is there enough infrastructure investment targeted at young people?

There needs to be greater investment targeted at those who are not in education, employment, or training (NEETs). We are aware of the funding for the whole-school approach and the new curriculum and we very much welcome this. It has long been recognised that investment support for children and young people has always been less for adults, and this comes at a critical time for our young people who have been deeply affected by the pandemic. The importance of early intervention in child and young person's mental health and the impact this can have cannot be underestimated. Given the link between NEETs and poor mental health and risk of suicide, there needs to be targeted investments through community infrastructure, as well as consideration to expand free and/or concessionary travel schemes for young people.

How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

No, we do not think it is. We understand the impact of continued constraints on public finances, and how that makes it harder to deliver budgets that work for public services. However, we need to see a robust commitment to following the evidence as to what works for systems, services and people. We know that many of the funds that target resources to the third sector are consistently reported as making a positive impact (e.g, Housing Support Grant) in terms of preventing costs to other services such as the NHS, policing or local authorities. However, it is these funding streams which have stagnated or in some cases been cut. It can appear sometimes that the third sector is left to pick up the pieces of a broken system, reaching people who fall through the gap in service provision. However, this is becoming less and less possible.

Several committee inquiries have highlighted the lack of published mental health data available in the public domain. Most of what is available provides information about the number of people who are being seen or waiting, which does not tell us about the impact of the investments being made. Local Health Boards seem to push back on publication of data for fear of being seen negatively in terms of service delivery. Data publication should be viewed positively as it gives us the best indication of how services are being received. It would be interesting to understand more about the Silvercloud programme and to have the detail on how many people are logging on to the platform. Every bit of investment must be seen to be making the biggest difference possible.

We also know that data collection regarding certain groups is not good, so the likelihood of understanding the experiences and impact of certain investments on reducing mental health inequalities is very challenging.

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?

We have to say no. The third sector is facing collective pressure unlike anything we have seen in decades. We are seeing the impact in the voluntary sector of the current tight budgets, causing people to fall through the gap in service provision, which is proving critical in terms of reducing inequality. With the decimation of core funding that is available to support the operational functions of charities, we are running the risk of charities simply becoming unable to operate. Coupled with an increasingly competitive and challenging public and corporate fundraising environment, we are concerned about the sustainability of the sector. This will cause the loss of expertise and services that public bodies rely on and are unable to replicate. The third sector provides vital services for some of the most vulnerable and socially excluded across Wales.

We would encourage Welsh Government to re-consider the ring-fence arrangement since the removal of S64 and to assess whether it is working in the best interest of tackling the issues and providing support to beneficiaries. We are interested to learn more about how the Welsh Government is measuring the allocation of money which is being dispersed to the third sector via the Local Health Boards, and it would be good to understand whether there is scope to separate the measurement of money to the third sector and the CVC third sector support. It would be extremely concerning to us if money allocated is not being spent by the Local Health Boards.

We are aware that third sector organisations are sometimes asked to provide training or information on services which are then commissioned internally. It is possible that this funding would be better utilised via third sector allocation to run the service, given the expertise and knowledge we carry in our specific fields. Funding into third sector delivery partners is highly cost-effective as we carry low overheads, fixed capital costs, support a vital population of volunteers and staff salaries are typically below public and private market levels.

Earlier communication on funding would be welcomed, as well as internal cross-department discussions on any key areas for disinvestment which could impact mental health. We are in an extremely precarious situation with the current decrease in charitable giving and corporate fundraising. There is also evidence of third sector organisations being forced to top up costs for services via their own reserves, posing a real risk of closure for some organisations due to a lack of funding.

The Welsh Government should focus preventative resources on delivery of service and interventions, supporting only the minimum viable infrastructure required for coordination of national and regional programmes that will ultimately be delivered by Local Authorities, Health Boards and Third Sector. Flows of spending into research

could also be diverted to statutory and third sector delivery activity, given the scale of demand for vital services and the expertise already available.

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?

There needs to be a thriving public services, and an innovative, fast-moving third sector alongside it, as a way of meeting the ever-growing challenges facing Wales. At present, the growing levels of pressure are making it harder – if not impossible – to plan to meet the needs of future generations. We can barely meet the needs of the current generation.

We would be happy to discuss further any aspect of the above response.

Wales Alliance for Mental Health comprises of:

Mind Cymru

Platform

Adferiad

Diverse Cymru

Papyrus UK Suicide Prevention: Prevention of Young Suicide

Samaritans Cymru

Mental Health Foundation

Mental Health Matters.

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 33: Ymateb gan: British Heart Foundation (BHF) (Saesneg yn unig) |
Response from: British Heart Foundation (BHF) (English Only)



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 32: Ymateb gan: British Heart Foundation (BHF) (Saesneg yn unig) |
Response from: British Herat Foundation (BHF) (English Only)





British Heart
Foundation
Cymru

British Heart Foundation Cymru

Consultation response form: Welsh Government Draft Budget 2024-25

The British Heart Foundation (BHF) is the largest independent funder of medical research into heart and circulatory diseases in the UK. Our research has helped halve the number of people dying from these conditions since the 1960s. Our ambition is to beat heartbreak forever, and we work to transform the prevention, detection, treatment, and support for people with heart and circulatory diseases. We welcome the opportunity to share our thoughts and insight on the Welsh Government Draft Budget 2024-25. Our response to the consultation focusses on questions 2 and 7 to draw attention to medical research, women's heart health, and the public health agenda.

For more information, please contact: Emily Wooster, Policy and Public Affairs Manager: [REDACTED]

Consultation questions

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

Research in Wales has historically relied on EU funding, and with UK Government funding not set to match EU funds, Wales' funding future remains uncertain. In 2018, the Reid Review commissioned by Welsh Government placed the highest priority on the role of quality-related (QR) funding in encouraging research and innovation in Wales. Professor Graeme Reid identified that Wales' low levels of hypothecated funding has been a source of structural weakness for two decades and showed that low QR funding is reducing Wales' ability to win external funding. ³ Professor Reid points out that the historic dependence on EU funding can be replaced with Welsh Government money, which will support success in UK-wide funding competitions, and by attracting higher levels of business investment.

Higher Education Funding Council Wales (HEFCW) administers QR funding to universities. HEFCW's QR budget for 2022/23 is £81.7 million. Research England has

announced £1.789 billion for QR funding for 2022/23. If Welsh universities were supported to compete with England, pro rata QR funding in Wales should be around £100 million. Welsh universities are therefore suffering from a shortfall of £18 million in funding for vital infrastructure.

Medical research, at universities or in the NHS, makes a vital contribution to the Welsh economy. Recipients of research funding purchase goods and services to undertake their research. This generates activity in their supply chains and across the whole of the Welsh economy. However, Wales is not reaching its potential in Research. Wales makes up around 5% of the UK population but has just 2.5% of R&D spend in the UK. This includes all money spent on R&D in Wales by charities, industry, Welsh Government, and the health service – spending which is less than half of what should be expected of a population Wales' size. Wales also only wins 3% of external competitive funding – significantly lower than its population share.

In 2021, total expenditure on R&D in Wales was £1.6 billion or 1.2% of GVA. Out of the three devolved nations of the UK and each of the 9 regions of England, Wales has the lowest R&D expenditure as a proportion of GVA.

Further, a Fraser of Allander Institute report commissioned by the British Heart Foundation found that investment into medical research by the third sector plays a vital role in not just the health of the nation but also the health of the economy. The report shows that the third sector drives growth and supports thousands of highly skilled jobs across the whole of Wales.

The report found:

- Charities are major funders of medical research. Medical research funding by charities has been estimated to be 35% of all third sector and public funding of medical research in Wales, with active research funding of £21m in 2018.
- Without charity funding, the public sector would therefore need to increase their direct funding of health-related research in Wales by an estimated 53% to cover the shortfall.
- Every £1 million spent on medical research funding in Wales by charities supports £2.3 million of output, £1.47 million of GVA and 26 jobs.
- Results estimate that in 2019, medical research funding by charities supported 975 jobs, £86m in output and £55m in GVA in Wales.
- In 2020 Wales experienced a drop in medical research expenditure by charities. Reported expenditure in Wales in 2020 was around £3 million lower than in 2019 – a

fall of around 8%. This was directly caused by the pandemic and resulting lockdowns.¹

These findings highlight the economic impact of charity funded medical research in Wales. However, further investment is needed to unlock the potential of medical research to contribute to Wales's economy. We believe that the Welsh Government could support this sector further by increasing funding across the whole of the medical research landscape in Wales.

Recommendation: To prioritise medical research within economic development, Welsh universities desperately need to see an uplift to quality related funding provided by Welsh Government. Without the same support as the rest of the UK, Welsh universities and Welsh researchers will be unable to compete for UK-wide funding. Welsh Government must address these funding inequalities to allow research in Wales to drive a thriving economy.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

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

In 2019, the British Heart Foundation released the report 'Bias and Biology: The heart attack gender gap'. BHF funded research suggested that the deaths of at least 8,243 women could have been prevented through equitable cardiac treatment over a ten-year period in England and Wales. Women are: not seen as being at risk of heart attacks; more likely to be misdiagnosed or diagnosed slowly; less likely to receive optimal treatment; and less likely to access cardiac rehabilitation.

We called on the Welsh Government to commit to a women's health quality statement which addresses inequalities experienced by women with heart disease. We stated that the quality statement should seek to improve outcomes for women with heart disease through: improved public awareness, timely diagnosis, equitable treatment, and equitable access to cardiac rehabilitation.

The BHF welcomes the new policy team working on the Women's Health Plan as part of the NHS Executive and we are looking forward to working with them to develop the Women's Health Plan.

¹ Fraser of Allander Institute (2022) *The contribution of medical research by charities to the Welsh economy.* <https://fraserofallander.org/publications/the-contribution-of-medical-research-by-charities-to-the-welsh-economy/>

Recommendation: It is vital that this plan is properly funded and develops a life course approach to women's health. We therefore welcome any measures within the Welsh Government Draft Budget 2024-25 which could help address the heart attack gender gap and seek equality in cardiac treatment for women in Wales.

Is the Welsh Government's approach to preventative spending represented in resource allocations? (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

More funding is needed for public health to prevent non-communicable diseases and ease the disease burden on the NHS. 340,000 people across Wales are living with heart and circulatory diseases, and 9,600 deaths each year are caused by these conditions. Heart and circulatory diseases remain a significant cause of ill health and death in Wales. They cause more than 1 in 4 deaths and there are around 340,000 people in Wales living with these conditions.

We must ensure that where possible, we prevent people from developing heart and circulatory diseases, and that those living with these conditions have equitable access to timely, high-quality care and are supported to live well with their condition and encouraging a shift towards community-based support.

Overweight and obesity

Wales is facing a public health crisis. Rates of overweight and obesity are climbing, resulting in diet related ill health across the population. Obesity costs the Welsh economy an estimated £3bn per year and is exacerbating huge avoidable pressures facing our NHS. Excess weight leads to a large number of diseases that cause significant mortality and morbidity, including type-2 diabetes, cardiovascular disease (CVD), liver disease, many types of cancer, musculoskeletal conditions and poor mental health.

In Wales 66% of men, 56% of women ² and 27% of children³ have a weight defined as overweight or obese.

Obesity affects the poorest in our society the most, contributing to stark economic and health inequalities. Obesity among adults in the most deprived groups in Wales is 32%, compared with 20% in the least deprived groups. ⁴ 17.2% of children aged 4-5 in the Merthyr Tydfil had obesity in 2019 compared to 7.8% in the Vale of Glamorgan.⁵

Adults with diabetes are also 2-3 times more likely to develop heart and circulatory diseases and are nearly twice as likely to die from heart disease or stroke as those

2. Public Health Wales (2020) '[ational Survey for Wales 2019-20](#)'.

3. Public Health Wales (2019) '[Child Measurement Programme for Wales](#)'.

4. Public Health Wales (2020) '[National Survey for Wales 2019-20](#)'.

5. Public Health Wales (2019) '[Child Measurement Programme for Wales](#)'.

5 National survey for Wales data 2018/2019

6 CRUK 'Longer, better lives: A Manifesto for Cancer Research and Care.'

without diabetes. In the UK, one third of adults with diabetes die from a heart or circulatory disease.

Public Health Wales leads the All-Wales Diabetes Prevention Programme, which is funded by the Welsh Government and delivered locally by dedicated trained healthcare support workers and dietetic leads working in primary care.

The programme supports people at higher risk of type 2 diabetes to make changes to their diet and to be more physically active. People are identified as being at risk through a blood test, called an HbA1c test, which measures a person's average blood sugar (glucose) levels over the last two to three months.

Eligible people in areas where the programme is being rolled-out are then referred to a healthcare support worker who will talk to them about what they can do to reduce their risk of developing type 2 diabetes. They can also be referred to additional sources of support.

Since the All-Wales Diabetes Prevention Programme launched in June 2022 it has offered support to more than 3,000 people across Wales. It is now being delivered in 32 of the 60 primary care clusters in Wales.

Recommendation: BHF reiterates concerns from others such as Diabetes UK in regard to several Welsh Government funded programmes that currently are without guarantee for future funding. Diabetes UK provide examples of the programmes at threat, such as; the All-Wales Diabetes Prevention Programme, the All-Wales Diabetes Remission Service, and the Diabetes Education Programme – SEREN.

The consequences of the funding for these programmes not continuing in terms of impact on levels of care should not be underestimated, and it is essential in the view of the BHF to protect these programmes with guaranteed funding commitments to support the people of Wales to lead healthy lives.

Smoking

As well as directly funding NHS programmes to reduce rates of high-risk conditions, like diabetes – Welsh Government should also focus on increasing funding to reduce the use and impact of health harming products, namely tobacco. We appreciate Welsh Government's commitment to the four nations consultation happening at UK level to raise the age of sale of tobacco – which we entirely support – in order to protect the next generation from the harms of tobacco.

We would also encourage Welsh Government to invest in services which support people who already smoke, to quit. At present, 13% of people in Wales smoke.⁶ Welsh Government has committed to an ambitious target to reduce prevalence to 5% by 2030.

⁶ Welsh Government, (2022) [Tobacco Control Strategy](#).

This is a bold ambition, which BHF Cymru supports. But, to achieve this ambition more is needed to support people who use tobacco to quit.

Recommendation: Smoking cessation services should be properly funded to ensure they are effective in supporting those who wish to quit.

How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

BHF Cymru remains concerned with the waiting list situation in NHS Wales. BHF Cymru is supportive of the quality statement for heart conditions, which has good ambitions.

Significant numbers of people are waiting for cardiovascular diagnostics and treatment, and referrals are increasing, placing continued upwards pressure on waiting times. This is leading to people experiencing deterioration in their conditions as a result of delays in diagnosis or treatment, including for conditions such as angina in respect of which early intervention can prevent more serious conditions developing.

Recommendation: BHF Cymru would urge Welsh Government to address waiting times for diagnostic tests and elective treatment in cardiology as a priority, investing in services where needed.

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning?

The health and care system in Wales is currently facing extreme challenges, from building back after the Covid-19 pandemic to addressing the staffing crisis which has seen many clinical posts left vacant. In 2022, the Royal College of Nursing (RCN) announced 2,900 registered nurse vacancies in the NHS in Wales, up from 1,719 in 2021⁷. RCN also found that around 76% of nurses work overtime at least once a week, leading to burnout and more staff absences due to sick leave.⁸

Wales must attract more staff to our NHS and retain the staff we do have. Medical research carried out in NHS settings promotes quality improvement, service development and an attractive working environment,⁹ meaning that NHS staff experience increased job satisfaction when working in a research-active environment. Improving staff wellbeing and development by offering the opportunity to engage with medical research is vital to ensuring the recruitment and retention of health professionals in Wales, which in turn improves service delivery, patient outcomes, and the effectiveness of our NHS.

⁷ Royal College of Nursing (2022) *Nursing in Numbers 2022*. <https://www.rcn.org.uk/Professional-Development/publications/wales-nursing-numbers-english-pub-010-524>

⁸ Royal College of Nursing (2022) *Nursing in Numbers 2022*. <https://www.rcn.org.uk/Professional-Development/publications/wales-nursing-numbers-english-pub-010-524>

⁹ Health Care Research Wales (2022) *Research Matters: our plan for improving health and care research in Wales*.

Medical research improves retention in the NHS.

Our NHS, like those across the UK, struggle to retain staff. A census published by the Royal College of Physicians of Edinburgh, Glasgow, and London in 2018 showed that 68% of trainees and 53% of consultants frequently experience rota gaps caused by lack of staff.¹⁰

Evidence suggests that including a research element in NHS job roles could improve staff retention. A report from the Association of the British Pharmaceutical Industry (ABPI) states that 'research participation improves job satisfaction for clinicians, helping them build new transferable skills, preventing burnout and supporting the retention of staff'.¹¹ Further, The Royal College of Physicians reports that almost two thirds of its members said they want to engage further with medical research.¹² Research could therefore be imbedded into career structures in the NHS, providing development and improving retention.¹³

A HCRW report, demonstrates how medical research is beneficial to the NHS workforce. The report outlines that research provides the opportunity for staff to become more innovative and the importance of medical research for the NHS workforce. The report recognised that 'NHS organisations should work to embed research into their strategies for staff recruitment and retention, and workforce development'.¹⁴ Ultimately, promoting medical research as a key aspect of a career in healthcare will improve staff retention as it provides opportunity for staff to be innovative and develop professional and clinical skills.¹⁵

According to a study from the GMC, engaging in medical research allowed staff to 'escape from the pressures of their everyday and reminds them about what they had liked about medicine in the first place'.¹⁶

Medical research improves recruitment to the NHS.

Medical research can play an instrumental role in addressing the challenge of staff recruitment within the NHS. The Royal College of Physicians (RCP) found that hospitals have a more successful recruitment rate for high-quality clinical staff when they offer

¹⁰ Royal College of Physicians (2018) [Focus on physicians: 2017–18 census \(UK consultants and higher specialty trainees\) | RCP London](#)

¹¹ Association of British Pharmaceutical Industry (2021) *Clinical Research in the UK: An opportunity for growth.* https://www.abpi.org.uk/media/g0anpn5o/abpi_clinical-trials-report-2021.pdf

¹² Royal College of Physicians (2019) *Benefitting from the research effect.* <https://www.rcplondon.ac.uk/projects/outputs/benefiting-research-effect>

¹³ Rees, M (2019) Academic factors in medical recruitment. *Postgraduate Medical Journal.*

¹⁴ Health and Care Research Wales (2022). *Research Matters: our plan for improving health and care research in Wales.* https://healthandcareresearchwales.org/sites/default/files/2023-03/Health_and_Care_Research_Wales_Plan-2022-2025-FINAL.pdf

¹⁵ Health and Care Research Wales (2020) *Impact and value of research supported by NHS organisations in Wales.* http://www.healthandcareresearchwales.org/sites/default/files/2020-10/impact_value_research_supported_NHS_organisations_Wales_2020.pdf

¹⁶ General Medical Council (2018) *Adapting, Coping, Compromising Research.* <https://www.gmc-uk.org/-/media/documents/adapting-coping-compromising-research-report-79702793.pdf>

opportunities to participate in research.¹⁷ According to the RCP, the competition ratio for posts in Wales increased from one applicant to two posts, to five applicants per post when the job advert included an academic component.¹⁸

During its inquiry, the Cross-Party Group on Medical Research heard from clinicians in Wales who have echoed the RCP's findings. One junior doctor working at Aneurin Bevan University Health Board commented that being able to undertake a fully funded post-graduate qualification whilst doing clinical work was a huge driver for them to apply for a role in Wales. This demonstrates that the importance of an academic component for a clinical position cannot be underestimated, it is key for attracting high-quality talent into Wales.

The CPG on Medical Research reported that health care professionals commented on the importance of development opportunities as a driver for staying within their role. This is particularly true in rural areas where the NHS faces complex challenges in retaining and recruiting staff. Rural Health and Care Wales highlights how healthcare professionals could be put off working in more rural areas as there is a perceived lack of continuous professional development opportunities in rural areas.¹⁹ Having a lack of local educational opportunities in rural areas results in an exodus of talented healthcare workers seeking opportunities elsewhere.

Recommendations: Any NHS workforce planning in Wales should be adequately funded and include commitments to support staff to engage in research²⁰.

¹⁷Royal College of Physicians (2019) *Benefitting from the 'research effect.'*
<https://www.rcplondon.ac.uk/projects/outputs/benefiting-research-effect>

¹⁸ Royal College of Physicians (2019) *Benefitting from the 'research effect.'*
<https://www.rcplondon.ac.uk/projects/outputs/benefiting-research-effect>

¹⁹ Rural Health and Care Wales (2016) *Health in the Hinterlands.*

<https://ruralhealthandcare.wales/research-academic-contribution/research-projects/research-booklets/>

²⁰ Cross Party Group on Medical Research Report: How Medical Research Benefits the People of Wales (November 2023)

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 34: Ymateb gan: **Federasiwn Hyfforddiant Cenedlaethol Cymru (FHCC)**
(Saesneg yn unig) | Response from: **National Training Federation Wales (NTFW)**
(English Only)





Senedd
Pierhead Street
Cardiff
CF99 1SN

30 November 2023

To: Clerk to the Finance committee

The National Training Federation for Wales (NTFW) is a Wales-wide representative body for all those organisations or individuals involved in the delivery of learning in the workplace.

The NTFW is extremely concerned that recent and planned cuts to the apprenticeship programme will significantly undermine social mobility and economic growth in Wales. The information in this letter is based on actual cuts to the 2023-24 budget and planning assumptions for 2024-25 recently shared with providers by Welsh Government officials.

2023-24 Budget

The 2023-24 budget (finalised less than 9 months ago) included this statement - *We are continuing to provide investment for our flagship apprenticeship programme. The Welsh Government is working against a backdrop of significant economic challenge and uncertainty, exacerbated by the upcoming loss of EU funding. To help combat this, an additional £18m will be invested in apprenticeships, highlighting our commitment to deliver a programme focussed on successful and high-quality upskilling opportunities.*

Since then, £4.374m was transferred to HEFCW for Degree Apprenticeships (June supplementary budget) and a further cut of £17.5m was announced through the recent emergency budget statement. The rationale for the latest cut was given as a lack of demand from employers. This is simply untrue. Demand for apprenticeships is increasing, as demonstrated by the Welsh Governments own data.

2024-25 Budget

The NTFW is anticipating a 3.65% cut to the apprenticeship budget for 2024-25. However, given the loss of EU funding the **overall effect on the apprenticeship programme would be a catastrophic 24.5% reduction.** This is a critical point which may not be made clear when the draft budget is presented.

The loss of EU funding is no surprise. The Welsh Government has known this would happen for many years. Indeed, until recently Welsh Government officials have advised apprenticeship providers to plan for a 3% cut in 2024/25 contracts in the full knowledge that EU funding was ending. This is consistent with the statement below from the Minister for the Economy relating to the Welsh Government's target of 125,000 apprenticeships:

Vaughan Gething, Minister for Economy, revealed that the Welsh Government had decided to defer for one year its target of creating 125,000 apprenticeships in the current Senedd term.

“European Union funds previously supported around 5,000 apprenticeships in Wales each year,” he said. “Without that investment and in the face of real and unavoidable inflationary costs, I have invested an extra £36 million over the next two years to support quality, all age apprenticeships that are proven to help unlock higher earning in even better quality careers.

“That’s a top priority that we support despite the economic crisis that we face. However, even after cutting budgets elsewhere within my department to help boost this investment, the funding gap and greater costs mean that I need to push back the target of creating 125,000 apprenticeships by one year. That means we won’t achieve that within this Senedd term

“I am determined, nonetheless, to deliver a programme that focuses on equality and outcome. We need to deliver apprenticeships that will raise productivity, create quality jobs and respond to the skills needs of the future, such as growing delivery in the net zero and digital sectors.”

The NTFW and apprenticeship providers have been given absolutely no justification or explanation for the Welsh Government’s proposed shock withdrawal of support for apprenticeship programme and the rapid change in their planning assumptions for 2024/25 contracts (from a proposed 3% cut to 24.5%).

These proposals have been particularly shocking and bewildering as they have been shared at the same time as the economy minister set out his top priorities for a stronger Welsh economy ‘built by all of us’ – which are largely predicated on the Welsh Government’s ‘flagship’ apprenticeship programme.

Impact

If the Welsh Government’s current proposals come to fruition, an initial analysis by the NTFW and Colleges Wales indicates:

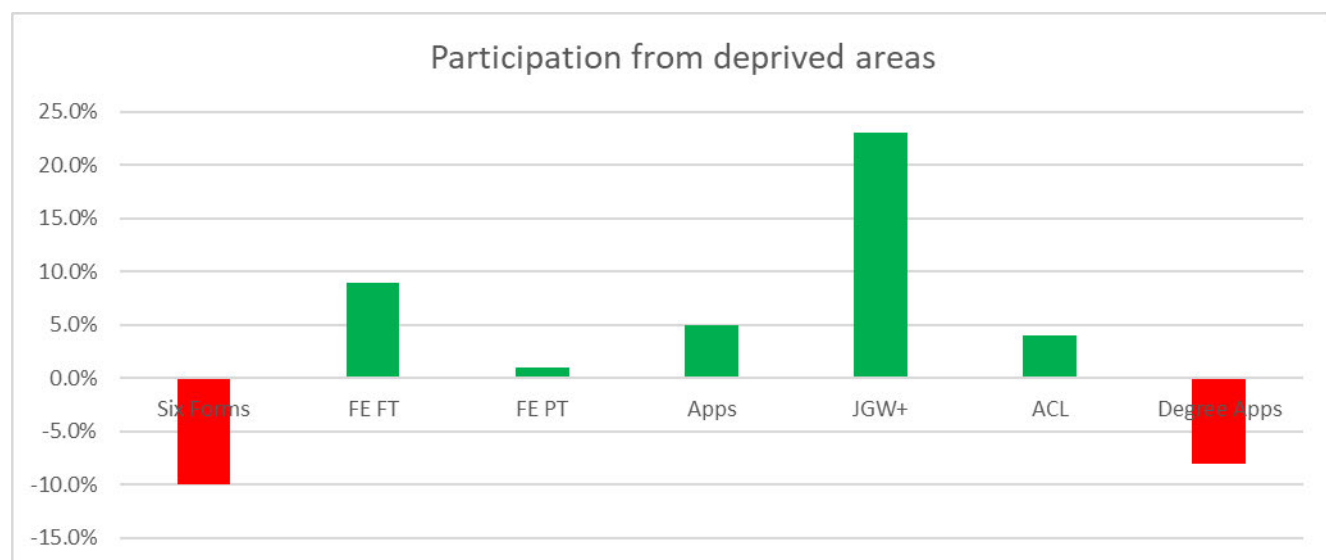
- The impact of these proposed cuts will result in circa **10,000 fewer apprenticeship starts** on the Welsh Government’s flagship apprenticeship programme in 2024/25. This represents a fall of approximately 50 percent, the most rapid decline in training opportunities since devolution.
- The **reductions would fall disproportionately on young people (16-24)**, those in the lowest socio-economic groups and women. The analysis also indicates that it would likely mean a significant reduction in the number of Black, Asian, and Minority Ethnic apprenticeship learners. If, as expected, the Welsh Government protect the budgets for school sixth forms and degree apprenticeships, we will see a clear shift of education and skills resources from disadvantaged areas to more affluent areas. Further information on learner participation by deprivation decile and post-16 sector is set out below.
- Feedback from members indicates that **impacted businesses will include anchor companies** who have expressed their desire to expand their number of apprenticeships, and that new inward investment was based partly on the availability of apprenticeships.

It should be noted, however, that the above 'quick' analysis is made on the assumption that the current training providers will remain financially viable. It is likely that a number training providers, including those who deliver specialised and niche provision, will go out of business if current budget proposals are finalised. Niche provision at particular risk includes clinical health, paralegal, CIPD, data analytics, veterinary nursing, banking and insurance.

We also risk losing 100s of highly professional and specialist tutors, assessors and trainers from the sector. If the Welsh Government wished to increase delivery on the apprenticeship programme in future, it would year years and many millions of pounds to rebuild capacity.

Social Justice

The table below compares learner participation by post-16 sector against the social deprivation indices. The table shows the proportion of **learners** compared to the **total population** in the most deprived 5 deciles. If participation in a post-16 sector exactly matched the distribution of the general population it would show as a zero on the chart. To illustrate, only 40% of learners in school sixth forms come from the 5 most deprived deciles (hence a score of -10%) and 73% of JGW+ learners (previously Traineeships) are from the 5 most deprived deciles (hence a score of 23%).



The NTFW has been informed that the Welsh Government plans to increase the budget for Degree Apprenticeships in 2024-25. We also expect the budget for school sixth forms to be protected (although no proposals have been shared at this stage). As such, with the expected cuts to the apprenticeship and FE budgets, **there is a risk that the Welsh Government will move education and training resources from disadvantaged areas to more affluent areas.** This seems contrary to everything the Welsh Government stands for so we can only assume this is an error or oversight. Indeed, we would be relieved to be told that the above analysis and conclusion is incorrect.

The Socio-economic Duty came into force in Wales on 31st March 2021. The Duty requires relevant public bodies, including Welsh Ministers, to give due regard to the need to reduce inequalities experienced as a result of Socio-economic disadvantage when taking strategic decisions.

It is not clear what regard has been given to the Socio-economic Duty when deriving the proposed budgets for post-16 education and training. Also, given that degree apprenticeships cost roughly twice as much a year as proper apprenticeships, the

NTFW would be keen to see what value for money assessment has been undertaken on the budget proposals.

Workforce Skill Levels

The Welsh Government's own evaluation of apprenticeships in 2021 underscored the critical role of the programme in fostering economic growth and its positive impact in terms of *“raising the skills levels of people who have low or no skills and increasing the number of people in the workforce who possess job-specific skills.”*

The highest qualification for more than half the learners who start an apprenticeship is Level 2 (equivalent to GCSE A*-C) or below. Indeed, in 2021/22 almost 8,000 adults who had not even achieved a Level 2 qualification started an apprenticeship in order to transform their lives.

The Welsh Government has spent substantial resources implementing the new Commission for Tertiary Education and Research (CTER) with its new duty to promote lifelong learning. However, the proposed cuts to the apprenticeship budget will mean significantly fewer low skilled adults would have the opportunity to embrace lifelong learning. As well as the obvious individual human cost, if this decision is confirmed, it will have a lasting and damaging impact on the Welsh economy.

Employer Expectations

ONS data shows that Welsh employers paid £122m through the apprenticeship levy in 2021/22 but only benefitted from c£40m worth of support through the Welsh apprenticeship budget (the apprenticeship contacts in 2021/22 totalled £125.5m and only 32% of apprenticeship learners in that year came from levy paying employers). As such, there is a strong feeling from Welsh levy paying employers that they are being short-changed. This will obviously be compounded if the proposed cuts to apprenticeship budget are agreed.

The NTFW believes that the Welsh Government received approximately £188m from the apprenticeship levy consequential in 2023-24, substantially more than it invested in the apprenticeship programme in Wales.

This sum is based on the £138m that the Treasury confirmed the Welsh Government would receive through the levy in 2019-20, and extrapolating that in line with the change in the overall Welsh budget from then to 2023-24 (*please note – due to different ways of reporting, it is not easy to identify the Welsh Government's total annual budgets. The extrapolation is based on a total budget of £18.411b in 2019-20 to £25.028b in 2023-24*).

Conclusion

In summary, the Welsh Government has invested billions in the development and delivery of its flagship apprenticeship programme in Wales, which is a real success story of devolution. As the Welsh Government faces tough decisions for the 2024-25 budget, we urgently implore them to steadfastly continue their support the apprenticeship programme. The costs of not doing so are much greater in both social and economic terms.

Yours faithfully

Lisa Mytton

Lisa Mytton
Strategic Director, NTFW

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 35: Ymateb gan: Marie Curie | Response from: Marie Curie



Cyflwyniad Marie Curie Cymru at sylw'r Pwyllgor Cyllid

Cynigion Cyllideb Ddrafft Llywodraeth Cymru 2024-25

Tachwedd 2023

Cyflwyniad

Marie Curie yw prif elusen gofal lliniarol a diwedd oes y Deyrnas Unedig. Rydym yn gweithio'n galed i alluogi pobl sy'n marw, a'u hanwyliaid a'u gofalwyr, i gael y profiad gorau posibl ar ddiwedd oes. Rydym yn cynnig gofal arbenigol i bobl ledled Cymru; mewn cymunedau, yn eu cartrefi eu hunain, ac yn ein Hosbis Caerdydd a'r Fro. Mae ein gwasanaeth gwybodaeth a chymorth am ddim ym Mhencoed hefyd yn cynnig gofal, arweiniad a chymorth arbenigol i deuluoedd ynghylch unrhyw faterion sy'n ymwneud â marw, galar a phrofedigaeth. Ni yw'r ariannwr elusennol mwyaf o ymchwil lliniarol a gofal diwedd oes yn y DU, ac mae ein fîm Polisi ac Ymchwil yng Nghymru yn gweithio y tu mewn a thu allan i'r Senedd i gael y newidiadau sydd eu hangen i sicrhau bod mwy o bobl yng Nghymru yn cael y profiad diwedd oes gorau posibl.

Negeseuon allweddol

1. Er mwyn sicrhau y gall darparwyr trydydd sector barhau i ddarparu gofal hanfodol o ddydd i ddydd i filoedd o bobl sy'n byw gyda salwch angheuol a'u teuluoedd ledled Cymru, dylai Llywodraeth Cymru ddarparu cyllid a chomisiynwyr uniongyrchol er mwyn sicrhau codiadau chwyddiant blynyddol i gontractau blwyddyn ar ôl blwyddyn, yn ogystal â darparu dyfarniadau cyflog sy'n cyd-fynd â chyflogau'r Gwasanaeth Iechyd Genedlaethol (e.e. Agenda ar gyfer Newid). Ochr yn ochr â Hosbisau Cymru, mae Hospices UK wedi cyfrifo bod angen cymorth ariannol o £4m ar gyfer y cynnydd sylweddol y mae hosbisau'n eu hwynebu oherwydd codiad mewn cyflogau'r staff craidd a chynorthwyol sy'n darparu gofal lliniarol.
2. Er mwyn mynd i'r afael ag effaith cynnydd costau byw a thlodi, dylai Llywodraeth Cymru geisio defnyddio'r ysgogiadau sydd ar gael i sicrhau bod gan y rhai sydd fwyaf agored i niwed mewn cymdeithas fynediad at gyfleusterau sylfaenol; megis cartref digon cynnes a'r gallu i bweru dyfeisiau meddygol hanfodol. Er enghraifft, buasai ymestyn meini prawf y Rhaglen Cartrefi Clyd newydd i gynnwys salwch

angheuol (h.y. pobl sydd â llai na 12 mis i fyw) yn unol â deddfwriaeth y DU sy'n gwneud hi'n haws i bobl â salwch angheuol gael mynediad at fudd-daliadau. Buasai hyn hefyd yn darparu cynnig cliriach o gymorth i unigolion mewn tai oer a llaith, sydd ymhlith y rhai mwyaf agored i effeithiau iechyd a lles byw.

3. Dylid ystyried buddsoddi mewn gofal lliniarol, gan gynnwys adnoddau gofal lliniarol a gofal diwedd oes yn y gymuned, yn wariant ataliol hanfodol. Mae darpariaeth gynnar o ofal lliniarol yn gysylltiedig â gwell ansawdd bywyd, lleihau ymyriadau o fudd isel, a gostyngiadau sylweddol yn ymweliadau ag ysbytai¹. Buasai darparu dyraniadau cyllideb wedi'u clustnodi'n gliriach er mwyn cynyddu capasiti o fewn gofal lliniarol cymunedol a gofal diwedd oes yn sicrhau bod y buddsoddiadau sydd ar gael i fyrddau iechyd at y diben hwn yn cael eu gweithredu fel y bwriadwyd, a buasai'n adlewyrchu ymrwymiad Llywodraeth Cymru i ganolbwyntio ar ofal diwedd oes fel y nodir yn ei Rhaglen Lywodraethu.

Ymateb manwl

1. **Beth, yn eich barn chi, fu effaith Cyllideb 2023-2024 Llywodraeth Cymru, gan gynnwys cyllid sy'n gysylltiedig ag adfer o'r pandemig? A yw polisiau cymorth busnes Llywodraeth Cymru wedi bod yn effeithiol wrth i'r rhagolygon economaidd ar gyfer 2024-25 barhau i waethygu?**
 - 1.1. Mae gofal lliniarol a diwedd oes (sef Palliative and End of Life Care, neu PEoLC) yn parhau i wynebu heriau yn ystod yr adferiad wedi'r pandemig. Arweiniodd y pandemig at newidiadau mawr yn llefydd gofal a manau marwolaeth, gyda mwy o bobl yn marw gartref ac yn y gymuned². Roedd hyn yn cyflwyno heriau i'r sector cyhoeddus a'r trydydd sector wrth ddarparu gofal lliniarol a diwedd oes a darparodd brawf straen ar gyfer darpariaeth gofal yn y dyfodol, gyda'r disgwyl y bydd marwolaethau yn y gymuned yn cynyddu'n sylweddol yn y blynyddoedd sydd i ddod³.
 - 1.2. Mae Marie Curie, ynghyd â darparwyr trydydd sector eraill, yn wynebu cyfyngiadau ariannol sy'n gynyddol anodd; oherwydd cynnydd mewn costau staff ac ynni, pwysau'r gweithlu, a galw cynyddol am ofal cymhleth. Yn ôl data Hosbisau Cymru, mae hosbisau elusennol yn darparu gofal hanfodol i fwy na 20,000 o bobl sy'n cael eu heffeithio gan salwch angheuol ledled Cymru bob blwyddyn, ac eto mae bron pob un (90%) o hosbisau Cymru yn cyllidebu ar gyfer diffyg yn 2023/24. Mae nifer o ddarparwyr eisoes yn gwneud neu'n ystyried toriadau i wasanaethau, ac yn tynnu'n helaeth ar gronfeydd wrth gefn cyfyng i gwrdd â'r diffyg.
 - 1.3. Er bod Llywodraeth Cymru wedi ymrwymo i symud mwy o ofal i'r gymuned, a amlygir yng nghyllideb 2023-24, mae heriau o hyd o ran cyflawni beth sy'n berthnasol i ofal lliniarol a diwedd oes. Mae'r trydydd sector yn bartner cyflawni hanfodol yn hyn o beth; wrth gefnogi pobl sy'n marw i aros yn eu cartrefi eu hunain neu mewn hosbisau cymunedol, lleihau derbyniadau i'r ysbyty, a chael effaith bellgyrhaeddol ar fywydau pobl a'r system gofal iechyd ehangach.
 - 1.4. O ystyried uchelgeisiau'r Llywodraeth i symud gofal i'r gymuned, yr adolygiad Ymhellach yn Gyflymach ac ymrwymadau'r Rhaglen Lywodraethu i adolygu gofal diwedd oes a

¹ Murray SE et al. (2017) Palliative care from diagnosis to death. *BMJ* 2017;356:j878 doi: 10.1136/bmj.j878.

² Marie Curie (2022) [Fairer Care at Home - The covid-19 pandemic: a stress test for palliative and end of life care in Wales](#)

³ Bone AE, Gomes B, et al. (2017) [What is the impact of population on the future provision of end of life care? Population-based projections of place of death.](#) *Palliative Medicine*. 2018;32(2):329-336.

chyllid hosbis, mae'n siomedig nad yw gofal lliniarol a diwedd oes nac hosbisau yn cael eu crybwyll yn naratif cyffredinol cyllideb 2023-24 na thystiolaeth ysgrifenedig Gweinidogion at sylw pwyllgorau craffu'r Senedd.

- 1.5. Er mwyn sicrhau y gall darparwyr trydydd sector barhau i ddarparu gofal hanfodol o ddydd i ddydd i filoedd o bobl sy'n byw gyda salwch angheuol a'u teuluoedd ledled Cymru, dylai comisiynwyr gymhwyso codiadau chwyddiant blynyddol i gcontractau blwyddyn ar ôl blwyddyn a darparu dyfarniadau cyflog sy'n cyd-fynd â chyflogau partneriaid statudol (e.e. Agenda ar gyfer Newid). Roedd y pandemig yn rhoi pwysau enfawr ar staff rheng flaen sy'n darparu gofal lliniarol a diwedd oes ym mhob lleoliad, gan gynnwys hosbisau ac yn y gymuned. Mae tâl teg yn hanfodol i recriwtio a chadw staff yn y dyfodol.
- 1.6. Dylai Llywodraeth Cymru gynnig cyfraniad ariannol i sicrhau cynnig cyflog teg i weithlu'r hosbis, sy'n cyfateb i gynnydd Agenda ar gyfer Newid, fel bod yna gydraddoldeb â chydweithwyr y GIG. Rhaid i hyn gynnwys ymrwymiad i godiadau cyllid cyfatebol parhaus sy'n deillio o drafodaethau cyflog y GIG cyfredol ac yn y dyfodol. Cyfrifwyd gan Hosbisau Cymru bod angen cymorth ariannol o £4m i gwrdd â'r cynnydd sylweddol y mae hosbisau'n eu hwynebu ar gyfer cyflogau uwch o staff craidd a chymorth sy'n darparu gofal lliniarol⁴.
- 1.7. Mae'r galw am ofal lliniarol a chymhlethdod'r angen yn cynyddu wrth i'n poblogaeth heneiddio, gyda goblygiadau sylweddol i wasanaethau iechyd a gofal cymdeithasol. Yn 2019, cyn y pandemig, roedd tua 29,000 o bobl wedi marw gydag anghenion gofal lliniarol yng Nghymru; erbyn 2048, rhagwelir y bydd hyn yn cyrraedd 37,000^{5,6}. Fodd bynnag, rhagwelir y bydd angen newid sylweddol yn ein hagwedd at farwolaethau yn y gymuned yn ystod y degawdau nesaf. Roedd ymchwil cyn y pandemig yn rhagweld mai cartrefi gofal fuasai'r lle marwolaeth mwyaf cyffredin erbyn 2040⁷.
- 1.8. Wrth ymateb i'r newidiadau hyn, mae'n ofynnol i Lywodraeth Cymru a darparwyr trydydd sector gydweithio er mwyn sicrhau cynaliadwyedd a darpariaeth gwasanaethau. Yn ystod y flwyddyn sydd i ddod, dylai Llywodraeth Cymru weithio ar y cyd â Bwrdd Rhaglen Genedlaethol Gofal Lliniarol a Diwedd Oes a phartneriaid yn y sector i sicrhau bod eu hymrwymiad Rhaglen Lywodraethu i adolygu cyllid hosbisau yn darparu fformiwla ariannu genedlaethol gynaliadwy, cynllun gweithlu, a manyleb gwasanaeth gofal lliniarol a diwedd oes.
- 1.9. Er bod y diffyg cyfeiriad penodol at ofal lliniarol a diwedd oes yn y gyllideb yn siomedig, rydym yn croesawu'r camau mae Llywodraeth Cymru wedi'u cymryd i ariannu iechyd a gofal cymdeithasol yng nghyd-destun cyfnod heriol i bennu cyllideb flynyddol.

2. Sut y dylai/gallai Llywodraeth Cymru gefnogi'r economi a busnes yn dilyn y pandemig, Brexit a chwyddiant a phwysau economaidd eraill?

⁴ Hosbisau Cymru & Hospice UK, Gorffennaf 2023, Impact of NHS pay awards on hospices in Wales. Cyfrifo yn seiliedig ar holl gostau staffio perthnasol hosbisau Cymru. Nid yw'r ffigurau hyn yn ystyried negodiadau Agenda ar gyfer Newid 2024-25 a bydd angen cymorth priodol nes bod fformiwla ariannu gynaliadwy yn cael ei datblygu.

⁵ Marie Curie (2023) [How many people need palliative care?](#)

⁶ ONS. Death registrations and occurrences by health board and place of death, 2022.

⁷ Bone AE et al. (2018) [What is the impact of population ageing on the future provision of end of life care? Population-based projections of place of death](#). Palliat Med. 32(2):329-336.

Pa mor barod yn ariannol yw eich sefydliad ar gyfer blwyddyn ariannol 2024-25, sut mae chwyddiant yn effeithio ar eich gallu i gyflawni amcanion a gynlluniwyd, a pha mor gadarn yw eich gallu i gynllunio ar gyfer y blynyddoedd sydd i ddod

- 2.1. Dangosodd arolwg gan Hosbisau Cymru a Hospices UK o'u haelodau ym mis Gorffennaf 2023 nifer o heriau ariannol sy'n wynebu hosbisau yng Nghymru.
 - 2.1.1. Roedd bron pob hosbis (90%) yn cyllidebu ar gyfer diffyg yn 2023/4 ac yn defnyddio cronfeydd wrth gefn i ymdopi â'r diffyg, gydag 8 o bob 10 yn cytuno bod pwysau costau byw yn debygol iawn o'u harwain at leihau nifer y gwasanaethau a ddarparwyd.
 - 2.1.2. Ar ben hynny, cytunodd 7 o bob 10 hosbis yng Nghymru fod pwysau costau byw yn debygol iawn o arwain at lai o gefnogaeth i'r system ehangach, megis ysbytai a chartrefi gofal.

3. Gyda chwyddiant a materion costau byw yn parhau i gynyddu, pa gamau y dylai Llywodraeth Cymru eu cymryd i helpu aelwydydd i ymdopi â'r argyfwng diweddaraf hwn?

- 3.1. Mae costau byw a chwyddiant diweddar wedi cael effaith sylweddol ar bobl sy'n byw gyda salwch angheuol. Er bod llawer o'r ysgogiadau i fynd i'r afael â chwyddiant a chostau byw o dan rym Llywodraeth y DU a San Steffan, mae yna fwy y gallai Llywodraeth Cymru ei wneud i gefnogi'r rhai sy'n byw gyda salwch angheuol.
 - 3.1.1. Dylai Llywodraeth Cymru sicrhau bod pobl sydd â salwch angheuol yn gallu cael cymorth gan y rhaglen Cartrefi Clyd newydd. Ceir tystiolaeth gref bod pobl sy'n byw gyda salwch angheuol yn arbennig o agored i effeithiau gwael byw mewn tai oer ac o ansawdd gwael⁸.
 - 3.1.2. Ar hyn o bryd mae cymhwysedd ar gyfer y rhaglen Cartrefi Clyd newydd dim ond yn cyfeirio⁹ at gyflyrau anadlol cronig, cylchrediad y gwaed ac iechyd meddwl fel cyflyrau a fyddai'n gymwys ar gyfer y meini prawf cyflyrau iechyd llai llym. Y risg o'r dull hwn yw na fydd unigolion sydd â salwch angheuol fel canser neu glefyd motor niwron yn gymwys i dderbyn y cymorth sydd ei angen arnynt.
 - 3.1.2.1. O'r mwy na 36,000 o bobl a bu farw yng Nghymru yn 2021, mae data'r Swyddfa Ystadegau Gwladol yn dangos taw'r nifer y bobl a bu farw o glefydau nad ydynt wedi'u cynnwys yn y meini prawf cymhwysedd cyfredol ar gyfer cyflyrau iechyd oedd: i) canser, bron i 9,000 o farwolaethau, ii) dementia, mwy na 4,000 o farwolaethau, iii) clefyd yr afu, bron i 700 o farwolaethau, a iv) clefyd Parkinson, sglerosis ymlledol a chlefyd niwronau motor sydd at ei gilydd yn achosi bron i 600 o farwolaethau.
 - 3.1.2.2. Dylid nodi na fyddai'r holl unigolion hyn yn gymwys i gael cymorth o dan y rhaglen Cartrefi Clyd newydd oherwydd efallai na fyddant yn byw mewn eiddo sydd â sgôr D neu'n is ar eu Tystysgrif Perfformiad Ynni neu efallai y bydd rhai yn byw mewn cartrefi gofal. Ni fyddai eraill yn bodloni'r meini prawf incwm isel. O ystyried y lefelau uchel o amlforbidrwydd ymhlith poblogaeth diwedd oes, mae hefyd yn debygol y byddai eraill eisoes yn gymwys i gael cymorth gan y cynllun oherwydd bod ganddynt gyflwr iechyd cymwys arall.
 - 3.1.2.3. Felly, mae'n annhebygol y buasai niferoedd ychwanegol sylweddol o bobl yn gallu derbyn cymorth o'r cynllun.
 - 3.1.2.4. Ar hyn o bryd, nid yw'n bosibl cynhyrchu ffigur diffiniol ar gyfer faint o unigolion ac eiddo ychwanegol fuasai'n gymwys pe bai salwch angheuol yn cael ei

⁸ Marie Curie (2020) The vicious cycle of fuel poverty and terminal illness

⁹ Rhaglen Cartrefi Clyd Newydd Llywodraeth Cymru (2023): datganiad polisi

ychwanegu at y meini prawf cymhwysedd iechyd gan nad oes data ar gael ar raddfeydd Tystysgrif Perfformiad Ynni a'r rhai sy'n byw gyda salwch angheuol.

- 3.1.2.5. Fodd bynnag, buasai ychwanegu salwch angheuol i'r meini prawf cymhwysedd iechyd yn darparu eglurder a chefnogaeth i bobl sy'n agosáu at ddiwedd oes sy'n cael trafferth gydag effeithiau seicolegol, iechyd ac ariannol byw mewn cartrefi oer ac ynni-aneffeithlon.
- 3.1.3. Gan adeiladu ar fentrau fel yr ymgyrch Hawliwch yr Hyn sy'n Ddyledus i Chi, dylai Llywodraeth Cymru weithio gyda'i phartneriaid yn y GIG i sicrhau bod pobl sydd wedi cael diagnosis o salwch angheuol a'u gofawyr yn cael eu cyfeirio at gyngor ariannol yn effeithiol, ac yn cael eu cynorthwyo i dderbyn budd-daliadau. Mae dull sefydledig eisoes i helpu pobl â chanser i gael y cyngor lles cywir; dylid ymestyn hyn i unrhyw un sydd â salwch angheuol a'i gynnwys yn y llwybr gofal.
- 3.1.4. Mae Llinell Gymorth Marie Curie yn aml yn clywed gan unigolion sy'n byw gyda, neu'n gofalu am rywun sydd â salwch angheuol sy'n ei chael hi'n anodd i ddilyn y system fudd-daliadau ac i hawlio'r hyn y mae ganddynt hawl iddo. Dylai Llywodraeth Cymru anelu at symleiddio a lleihau cymhlethdod derbyn cymorth budd-daliadau; er enghraifft, drwy symud tuag at weithredu system fudd-daliadau Cymreig¹⁰.
- 3.1.5. Dylai Llywodraeth Cymru hefyd adolygu ac egluro cymorth ar gyfer costau gofal plant i'r rhai sy'n byw gyda salwch angheuol gan mai pobl o oedran gweithio gyda phlant dibynnol yw'r rhai mwyaf agored i dlodi ar ddiwedd oes¹¹. Er ein bod yn croesawu ymrwymiad Llywodraeth Cymru i fuddsoddi mewn gofal plant, mae'r system yn parhau i fod yn rhy gymhleth a heriol i rieni¹².

Sut y dylai'r Gyllideb fynd i'r afael ag anghenion pobl sy'n byw mewn cymunedau trefol, ôl-ddiwydiannol a gwledig ac wrth gefnogi economïau o fewn y cymunedau hynny?

- 3.2. Mae data'r cyfrifiad yn dangos bod poblogaethau oedrannus gwledig yn cynyddu, ond gyda llai o alw a mynediad at ofal iechyd arbenigol, mae cleifion sy'n byw mewn ardaloedd gwledig ac anghysbell sydd â salwch y maent yn debygol o farw ohono mewn perygl sylweddol o fod ag anghenion gofal heb eu diwallu tuag at ddiwedd eu hoes.
- 3.3. Mae Marie Curie wedi bod yn gweithio gyda'r Cwmni Buddiannau Cymunedol Same but Different a Hospice UK er mwyn deall profiadau pobl o fyw gyda salwch angheuol. Mae hyn wedi cynnwys cyfweiliadau gyda phobl yn nghanolbarth Cymru. Un testun pryder sydd wedi dod i'r amlwg yn y cyfweiliadau yw bod rhai unigolion yn dewis triniaeth yn ôl eu gallu i deithio i apwyntiadau hirbell¹³.
- 3.4. Yn ardaloedd gwledig, cyfyngir y ddarpariaeth o ofal lliniarol a diwedd oes gan fod ymweliadau cartref yn gofyn am gyfnodau hirach o deithio, sydd yn gallu gwaethygu oherwydd tywydd garw ac amodau teithio.
- 3.5. Mae recriwtio gweithwyr gofal iechyd mewn ardaloedd gwledig yn arbennig o heriol, oherwydd gweithlu lleol sy'n heneiddio ac effaith mudo domestig pobl iau i ddinasoedd. Rydym yn ailadrodd ein hargymhelliad blaenorol i Lywodraeth Cymru

¹⁰ Sefydliad Bevan (2023) Dull cyffredin o ymdrin â Budd-daliadau Cymru: Astudiaeth Dichonoldeb

¹¹ Marie Curie (2021) *Marw mewn flodi – Archwilio flodi diwedd oes yn y DU: Y goblygiadau i Gymru*

¹² Y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol (2022) Gwarchod y dyfodol - Y rhwystr gofal plant sy'n wynebu rhieni sy'n gweithio

¹³ Same but Different CIC, Marie Curie, Hospice UK (2023) What Matters Most – Mo. Available online: [What matters most? - Mo & Graham — Same but Different \(samebutdifferentcic.org.uk\)](https://www.samebutdifferentcic.org.uk/).

- sicrhau cyflog teg i'r gweithlu hosbisau cymunedol trwy ddarparu codiadau cyflog sy'n sicrhau cysondeb rhwng cyflogau'r rhai yn y trydydd sector â chydweithwyr yn y GIG.
- 3.6. Hefyd, bydd buddsoddi yn y gweithlu gofal lliniarol cymunedol yn lleihau'r galw am ofal brys ac argyfwng, ac mae'n arbennig o bwysig mewn ardaloedd gwledig lle gallai modelau gofal sy'n canolbwyntio ar ysbytai fod yn amhriodol.

7. Hoffai'r Pwyllgor ganolbwyntio ar nifer o feysydd penodol eraill wrth graffu ar y Gyllideb. A oes gennych unrhyw sylwadau penodol ar unrhyw un o'r meysydd a nodir isod?

- 7.1. Mae'r diffyg ymrwymiadau o fewn y Rhaglen Lywodraethu bresennol a'r diffyg strategaeth ar dlodi yn ei chyfanrwydd yn golygu bod penderfynu sut i ddyrannu adnoddau i fynd i'r afael â thlodi yn heriol. Buasai'n ddefnyddiol cael strategaeth drawslywodraethol gynhwysfawr i fynd i'r afael â thlodi er mwyn sicrhau bod adnoddau'n cael eu targedu at y rhai sydd mewn tlodi yn ogystal â'r rhai sydd fwyaf mewn perygl o dlodi, yn enwedig yng nghyd-destun y cynnydd parhaus mewn costau byw.
- 7.2. Pobl yng Nghymru oedd â'r gyfradd uchaf o dlodi diwedd oes o holl wledydd y DU - gyda bron i un o bob tri (30.4%) o'r oedolion oed gweithio a bu farw yng Nghymru yn 2019 yn marw mewn tlodi.¹⁴ O ystyried pob math o deuluoedd, y bobl sy'n byw gyda salwch angheuol gyda phlant dibynnol sydd fwyaf agored i niwed o brofi tlodi yn ystod pum mlynedd olaf eu bywyd.
- 7.3. Rhaid i unrhyw strategaeth gynhwysfawr sy'n ceisio mynd i'r afael â thlodi ystyried anghenion y rhai sy'n byw gyda salwch angheuol.
- 7.4. Ochr yn ochr â sefydliadau partner o Gynghrair Iechyd a Lles Conffederasiwn GIG Cymru, rydym wedi galw ar Lywodraeth Cymru i lunio cynllun trawslywodraethol er mwyn lleihau tlodi a mynd i'r afael ag anghydraddoldebau. Er bod gan dlodi ac anghydraddoldeb oblygiadau sylweddol i iechyd y genedl, a'r angen am wasanaethau iechyd a gofal cymdeithasol, nid oes gan y GIG ac awdurdodau lleol y lifer i fynd i'r afael â'r rhain.
- 7.5. Mae ymchwil arolwg wedi dangos bod 60% o bobl yng Nghymru yn teimlo bod eu hiechyd wedi cael ei effeithio'n negyddol gan y cynnydd mewn costau byw: dywedodd 90% fod hyn oherwydd costau gwresogi uwch; dywedodd dros dri chwarter (76%) ei fod yn ganlyniad i gostau cynyddol bwyd a dywedodd bron i hanner (45%) mai costau trafnidiaeth uwch oedd yn gyfrifol am hyn¹⁵. Felly, rydym yn annog Llywodraeth Cymru unwaith eto i lunio cynllun trawslywodraethol ar gyfer lleihau tlodi ac anghydraddoldebau mewn oedolion a phlant, sy'n amlinellu camau gweithredu sy'n cael eu cymryd ar draws adrannau'r llywodraeth, ac yn nodi sut y bydd llwyddiant yn cael ei fesur a'i werthuso drwy fesurau perfformiad a rennir.
- 7.6. Fel yr amlygwyd yn flaenorol, dylai Llywodraeth Cymru ehangu'r meini prawf cymhwysedd iechyd llai llym ar gyfer y rhaglen Cartrefi Clyd newydd i gynnwys y rhai sy'n byw gyda salwch angheuol.

Sut allai'r gyllideb fynd i'r afael ag anghydraddoldeb rhywedd ymhellach mewn meysydd megis gofal iechyd, sgiliau a chyflogaeth?

- 7.7. O ran anghydraddoldeb rhywedd mewn gofal iechyd, yn dilyn cyhoeddi'r Datganiad Ansawdd ar gyfer iechyd menywod a merched buasai'n ddefnyddiol pe gallai'r

¹⁴ Marie Curie (2021) Marw mewn tlodi – Archwilio tlodi diwedd oes yn y DU: Y goblygiadau i Gymru

¹⁵ Royal College of Physicians (2022) Mind the gap: The cost of living crisis and the rise in inequalities in Wales.

llywodraeth ddarparu mwy o fanylion ar ei hamserlenni ar gyfer cynhyrchu Cynllun Iechyd Menywod a Merched¹⁶.

- 7.8. Fel yr amlygwyd mewn ymchwil blaenorol gan Marie Curie, mae'n hanfodol bod gofal lliniarol a diwedd oes yn cael eu cynnwys yn y Cynllun oherwydd y profiadau a'r canlyniadau gwahanol sydd gan fenywod.¹⁷
- 7.9. Mi ddylai'r llywodraeth cynnig mwy o eglurder yn y gyllideb am sut bydd Cynllun yn cael ei gynnal.

A yw dull gweithredu Llywodraeth Cymru o ran gwariant ataliol yn cael ei gynrychioli 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)

- 7.10. Fel y nodwyd yn flaenorol yn yr ymateb hwn, mae darparwyr gofal lliniarol elusennol a'r trydydd sector yn bartneriaid allweddol wrth geisio lleddfu'r pwysau ar wasanaethau'r GIG. Buasai'n ddefnyddiol pe gallai'r llywodraeth ymgymryd â gwaith pellach gyda'r sector i benderfynu sut y gellid lleddfu'r pwysau yma sydd ar y GIG yn fwy effeithiol.
- 7.11. Yn ogystal, er mwyn i'r sector gefnogi'r llywodraeth yn llwyddiannus wrth lleddfu'r pwysau sydd ar y GIG, mae angen fformiwla ariannu gynaliadwy er mwyn cefnogi'r gwaith o ddarparu gwasanaeth a sicrhau bod y gweithlu o fewn y trydydd sector yn cael ei drin yr un fath â staff yn y GIG.
- 7.12. Credwn fod achos cryf dros weld buddsoddiad mewn gofal lliniarol, gan gynnwys adnoddau gofal lliniarol a diwedd oes yn y gymuned fel gwariant ataliol. Mae darpariaeth gynnar o ofal lliniarol yn gysylltiedig â gwell ansawdd bywyd, lleihau ymyriadau buddion isel, a gostyngiadau sylweddol mewn derbyniadau i'r ysbty¹⁸. Buasai darparu dyraniadau cyllideb wedi'u clustnodi i gynyddu capasiti o fewn gofal lliniarol a diwedd oes cymunedol yn sicrhau bod y buddsoddiadau sydd ar gael i fyrddau iechyd at y diben hwn yn cael eu defnyddio fel y bwriadwyd, a buasai'n gwireddu ymrwymiad Llywodraeth Cymru i ganolbwyntio ar ofal diwedd oes fel y nodir yn y Rhaglen Lywodraethu.
- 7.13. Er ein bod yn croesawu cynigion Llywodraeth Cymru i egluro'r ddyletswydd ar awdurdodau lleol i hyrwyddo'r gwaith o gyflawni'r trydydd sector a sefydliadau gwerth cymdeithasol, yn ogystal â'r canllawiau cadarn ar gyfer awdurdodau lleol ar gyd-gynhyrchu drwy'r Rhaglen Ailgydbwysio Gofal a Chymorth¹⁹, hoffem weld canllawiau yn cael eu hailadrodd fel sy'n berthnasol i fyrddau iechyd a chyrrff eraill sy'n gwneud penderfyniadau o fewn iechyd a gofal cymdeithasol.
- 7.14. Ar hyn o bryd, mae cyllid Llywodraeth Cymru sy'n cael ei gyfeirio drwy awdurdodau lleol, byrddau iechyd neu Fyrddau Partneriaeth Rhanbarthol yn aml yn cael ei ddsbarthu rhwng sefydliadau statudol yn gyntaf cyn ystyried cyfranogiad gan y trydydd sector. Dylid trin y trydydd sector fel partner go iawn o'r cychwyn cyntaf; mae angen tryloywder ynghylch yr adnoddau sydd ar gael ar gyfer gofal a chymorth a sut y dyrennir y rheiny.

Sut y dylid blaenoriaethu adnoddau i fynd i'r afael â rhestrau aros y GIG ar gyfer triniaethau GIG wedi'u cynllunio a thriniaethau nad ydynt yn rhai brys. A ydych yn meddwl bod gan Lywodraeth Cymru gynllun cadarn i fynd i'r afael â'r mater hwn?

¹⁶ Llywodraeth Cymru (2022) [Y Datganiad Ansawdd ar gyfer iechyd menywod a merched](#)

¹⁷ Marie Curie (2023) [Rhywedd a gofal diwedd oes Papur polisi Marie Curie yn archwilio gwahaniaethau rhywedd mewn profiad diwedd oes yng Nghymru](#)

¹⁸ Murray SE et al. (2017) Palliative care from diagnosis to death. *BMJ* 2017;356:j878 doi: 10.1136/bmj.j878.

¹⁹ Llywodraeth Cymru (2023) [Y rhaglen ail-gydbwysio gofal a chymorth](#)

- 7.15. Fel yr amlygwyd eisoes yn yr ymateb hwn, mae'r trydydd sector yn bartner hanfodol i gyflawni nodau Llywodraeth Cymru i symud mwy o ofal i'r gymuned a lleddfu'r pwysau ar ysbytai a gwasanaethau eraill y GIG. Er mwyn symud mwy o ofal i'r gymuned, mae'n hanfodol bod Llywodraeth Cymru yn parhau i weithio'n agos gyda darparwyr gofal trydydd sector.
- 7.16. Ar ben hynny, buasai'n ddefnyddiol cael eglurder pellach ar sut y bydd yr uchelgeisiau hyn gan Lywodraeth Cymru yn cael eu cyflenwi.

A yw Llywodraeth Cymru yn darparu cymorth digonol i'r sector cyhoeddus i'w alluogi i fod yn arloesol ac yn flaengar drwy bethau fel cynllunio'r gweithlu?

- 7.17. Fel y nodwyd uchod, o ystyried cyfranogiad darparwyr trydydd sector wrth ddarparu gofal hanfodol o ddydd i ddydd i filoedd o bobl sy'n byw gyda salwch angheuol, dylai comisiynwyr gymhwyso codiadau chwyddiant blynyddol i gontractau blwyddyn-ar-ôl-blwyddyn a darparu dyfarniadau cyflog sy'n cyd-fynd â chyflogau partneriaid statudol (e.e. Agenda ar gyfer Newid).
- Mae hyn yn hanfodol er mwyn galluogi darparwyr trydydd sector i recriwtio a sicrhau nad oes system ddwy haen sy'n gwobrwyo rhai o'r gweithlu yn fwy hael nag eraill.

A yw cymorth i sefydliadau'r trydydd sector, sy'n wynebu galw cynyddol am wasanaethau o ganlyniad i'r argyfwng costau byw a'r pandemig, yn ddigonol?

- 7.18. Amlygwyd eisoes bod costau byw a chwyddiant wedi rhoi cryn dipyn o bwysau ar eu gallu i ddarparu gwasanaethau fel darparwr trydydd sector.
- 7.19. Yn yr ymateb hwn, rydym wedi cyflwyno nifer o gamau yr hoffem eu gweld gan Lywodraeth Cymru i warantu bod darparwyr trydydd sector yn cael eu cefnogi'n well i barhau i ddarparu gwasanaethau hanfodol a lleihau'r pwysau sydd yn parhau i fod ar y Gwasanaeth Iechyd Genedlaethol.

Am fwy o wybodaeth, cysylltwch â:

Dr Tomos Evans
Rheolwr Polisi a Materion Cyhoeddus, Cymru



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 35: Ymateb gan: Marie Curie | Response from: Marie Curie



Marie Curie submission to the Finance Committee

Welsh Government Draft Budget proposals 2024-25

November 2023

Introduction

Marie Curie is the UK's palliative and end of life care charity. We work hard to enable people who are dying, and their loved ones and carers, to have the best possible experience at the end of life. We offer expert care across Wales, in people's communities, in their own homes, and in our Cardiff and the Vale Hospice. Our free information and support service, based in Pencoed, also gives expert care, guidance and support to families with any matters relating to dying, death and bereavement. We are the largest charitable funder of palliative and end of life care research in the UK and our Wales Policy and Research team work inside and outside of the Senedd for the changes that are needed to ensure more people in Wales have the best possible end of life experience.

Key messages

1. To ensure that third sector providers can continue to provide essential day-to-day care to thousands of people living with terminal illnesses and their families across Wales, the Welsh Government should provide funding and direct commissioners to apply annual inflationary uplifts to year on year contracts and provide pay awards which align with NHS salaries (e.g. Agenda for Change). Hospices UK alongside Hospices Cymru has calculated that financial support of £4m is required to meet the significant increases that hospices are facing for increased salaries of core and support staff delivering palliative care.
2. To address the impact of cost of living pressures and poverty, the Welsh Government should seek to use the levers at its disposal to ensure that the most vulnerable in society have access to basic facilities, such as a sufficiently warm home and the ability to power essential medical devices. For example, extending the health eligibility criteria for the new Warm Homes Programme to include terminal illness (i.e., people who have less than 12 months to live) would bring the scheme in line with UK legislation that makes it easier for people with a terminal illness to access benefits, and would provide a clearer offer of support to individuals

who are some of the most vulnerable to the health and wellbeing effects of living in cold and damp housing.

3. Investment in palliative care, including the resourcing of palliative and end of life care within the community, should be considered essential preventative spending. Early provision of palliative care is linked with improved quality of life, reduction in interventions of low benefit, and significant reductions in hospital admissions¹. Providing clearer ringfenced budget allocations to increase capacity within community palliative and end of life care would ensure that investments made available to health boards for this purpose would be implemented as intended, and would reflect the Welsh Government's commitment to focus on end of life care set out in the Programme for Government.

Detailed response

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

- 1.1. Palliative and end of life care (PEoLC) continues to face challenges as part of the recovery from the pandemic. The pandemic brought about major shifts in place of care and place of death, with more people dying at home and in the community². This presented challenges for both the public and third sectors in the delivery of PEoLC and provided a stress test for future care provision, with deaths in the community projected to increase significantly in the coming years³.
- 1.2. Marie Curie, along with other third sector providers, are facing increasingly difficult financial constraints, due to rising staff and energy costs, workforce pressures, and increasing demand for complex care. According to Hospices Cymru data, charitable hospices provide essential care to more than 20,000 people affected by terminal illness across Wales each year, yet nearly all (90%) of Welsh hospices are budgeting for a deficit in 2023/24. Many providers are already making or considering cuts to services and drawing extensively on limited reserves to meet the shortfall.
- 1.3. While the Welsh Government has committed to moving more care into the community, which is highlighted in the 2023-24 budget, there continues to be challenges in delivering this as it applies to PEoLC. The third sector is a vital delivery partner in this, supporting people who are dying to stay in their own homes or in community-based hospices, reducing hospital admissions, and having a far-reaching impact on people's lives and the wider healthcare system.
- 1.4. Considering government's ambitions to shift care into the community, the Further Faster review and the Programme for Government commitments to review end of life care and hospice funding, it is disappointing that neither PEoLC nor hospices are mentioned in the overall narrative of the 2023-24 budget or Ministers' written evidence to Senedd scrutiny committees.

¹ Murray SE et al. (2017) Palliative care from diagnosis to death. *BMJ* 2017;356:j878 doi: 10.1136/bmj.j878.

² Marie Curie (2022) [Fairer Care at Home - The covid-19 pandemic: a stress test for palliative and end of life care in Wales](#)

³ Bone AE, Gomes B, et al. (2017) [What is the impact of population on the future provision of end of life care? Population-based projections of place of death.](#) *Palliative Medicine*. 2018;32(2):329-336.

- 1.5. To ensure that third sector providers can continue to provide essential day-to-day care to thousands of people living with terminal illness and their families across Wales, commissioners should apply annual inflationary uplifts to year-on-year contracts and provide pay awards which align with salaries for statutory partners (e.g. Agenda for Change). The pandemic placed huge pressures on frontline staff delivering PEOLC in all settings, including hospices and in the community. Fair remuneration is vital to future staff recruitment and retention.
- 1.6. Welsh Government should make a financial contribution to ensure a fair salary offer for the hospice workforce, equivalent to Agenda for Change increases, so there is parity with NHS colleagues. This must include a commitment to ongoing equivalent funding uplifts resulting from current and future NHS pay negotiations. Hospices Cymru has calculated that financial support of £4m is required to meet the significant increases that hospices are facing for increased salaries of core and support staff delivering palliative care⁴.
- 1.7. Demand for palliative care and the complexity of need is increasing as our population ages, with significant implications for health and social care services. In 2019, prior to the pandemic, the number of people dying with palliative care needs in Wales was approximately 29,000 per year; by 2048, this is projected to reach 37,000^{5 6}. However, a substantial shift towards deaths in the community is projected in the coming decades. Pre-pandemic research forecast that care homes would be the most common place of death by 2040⁷.
- 1.8. Responding to these changes requires both Welsh Government and third sector providers to work together to ensure the sustainability and provision of services. Over the coming year, Welsh Government should work in collaboration with the PEOLC National Programme Board and sector partners to ensure that its Programme for Government commitment to review hospice funding delivers a sustainable national funding formula, a workforce plan, and a palliative and end of life care service specification.
- 1.9. While the lack of specific reference to PEOLC in the budget is disappointing, we do welcome action that the Welsh Government has taken to fund health and social care in the context of challenging times to set an annual budget.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years

- 2.1. A survey of members undertaken by Hospices Cymru and Hospices UK in July 2023 revealed a number of financial challenges facing hospices in Wales.

⁴ Hospices Cymru & Hospice UK, July 2023, Impact of NHS pay awards on hospices in Wales. Calculation based on all Welsh hospices relevant staffing costs. These figures don't take into account 2024-25 Agenda for Change negotiations and appropriate support will be required until a sustainable funding formula is developed.

⁵ Marie Curie (2023) [How many people need palliative care?](#)

⁶ ONS. Death registrations and occurrences by health board and place of death, 2022.

⁷ Bone AE et al. (2018) [What is the impact of population ageing on the future provision of end of life care? Population-based projections of place of death](#). Palliat Med. 32(2):329-336.

- 2.1.1. Nearly all hospices (90%) were budgeting for a deficit in 2023/4 and are drawing on reserves to meet the shortfall with 8 in 10 agreeing that cost of living pressures were highly likely to result in them having to reduce the volume of certain services delivered.
- 2.1.2. Furthermore, 7 in 10 Welsh hospices agreed that cost of living pressures were highly likely to result in reduced support being available to the wider system, such as hospitals and care homes.

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

- 3.1. Recent inflationary pressures and the cost of living have had a significant impact on people living with a terminal illness. While many of the levers to tackle inflation and the cost of living sit with the UK Government and Westminster, there is more that the Welsh Government could be doing to support those living with a terminal illness.
 - 3.1.1. The Welsh Government should ensure that people who have a terminal illness can access support from the new Warm Homes programme. There is good evidence that people living with terminal illness are particularly vulnerable to the ill effects of living in cold and poor-quality housing⁸.
 - 3.1.2. Currently eligibility for the new Warm Homes programme only cites⁹ chronic respiratory, circulatory and mental health conditions as conditions which would qualify for the less stringent health condition eligibility criteria. The risk of this approach is that individuals who have a terminal illness such as cancer or motor neurone disease will be unable to qualify for the support they need.
 - 3.1.2.1. Of the more than 36,000 people who died in Wales in 2021, ONS data shows that the number of people dying from diseases that are currently not included in the health condition eligibility criteria was: i) cancer with almost 9,000 deaths, ii) dementia with more than 4,000 deaths, iii) liver disease with nearly 700 deaths, and iv) Parkinson disease, multiple sclerosis and motor neuron disease seeing almost 600 deaths combined.
 - 3.1.2.2. It should be noted that not all these individuals would be eligible for support under the new Warm Homes programme as they may not live in a property with EPC D rating or below or some may live in care homes. Others would not meet the low income criteria. Given the high levels of multimorbidity amongst the end of life population, it is also likely that others would already qualify for support from the scheme because they have another eligible health condition.
 - 3.1.2.3. Therefore, it is unlikely that significant additional numbers of people would access support from the scheme.
 - 3.1.2.4. It is not currently possible to produce a definitive figure for how many additional individuals and properties would be eligible if terminal illness was added to the health eligibility criteria as there is no available data on EPC ratings and those living with terminal illnesses.
 - 3.1.2.5. However, adding terminal illness to the health eligibility criteria would provide clarity and support for people who are approaching the end of life who are struggling with the psychological, health, and financial impacts of living in cold and energy inefficient homes.
 - 3.1.3. Building on initiatives such as the Claim What's Yours campaign, the Welsh Government should work with its NHS partners to ensure that people who have been diagnosed with a terminal illness and their carers are effectively signposted to

⁸ Marie Curie (2020) The vicious cycle of fuel poverty and terminal illness

⁹ Welsh Government (2023) New Warm Homes Programme: policy statement

financial advice and supported to access benefits. There is already an established approach to help people with cancer access the right welfare advice; this should be extended to anyone with a terminal illness and built into the care pathway.

- 3.1.4. The Marie Curie Support Line frequently hears from individuals who are living with or caring for someone with a terminal illness who are struggling to navigate the benefits system and to claim what they are entitled to. The Welsh Government should aim to streamline and reduce the complexity of accessing benefit support, for example, by progressing towards the implementation of a Welsh benefits system¹⁰.
- 3.1.5. The Welsh Government should also review and clarify support for childcare costs for those living with a terminal illness since working age people with dependent children are the most vulnerable to experiencing poverty at the end of life¹¹. While we welcome the Welsh Government's commitment to invest in childcare, the system remains overly complex and challenging for parents to navigate¹².

How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

- 3.2. Census data shows that rural elderly populations are increasing, but with lower demand and accessibility to specialist healthcare, patients living in rural and remote areas who have an illness they are likely to die from are at significant risk of having unmet care needs towards the end of life.
- 3.3. Marie Curie has been working with Same but Different CIC and Hospice UK to better understand people's experiences of living with terminal illness. This has included interviews with people in mid-Wales. Worryingly, one theme to emerge from the interviews is that some individuals are basing their treatment decisions on whether they feel able to travel to distant appointments¹³.
- 3.4. Delivery of PEOC in rural areas can be constrained by distance, with home visits requiring lengthier periods of travel, which may be compounded by adverse weather and road conditions.
- 3.5. Recruitment of healthcare workers in rural areas is particularly challenging, with an ageing local workforce and the impact of domestic migration of younger people towards cities. We reiterate our previous recommendation for the Welsh Government to ensure fair pay for the community hospice workforce by providing pay uplifts which secure alignment between the salaries of those in the third sector with colleagues in the NHS.
- 3.6. Furthermore, investment in the community palliative care workforce will reduce demand on urgent and emergency care, and is particularly important in rural areas where hospital-centric models of care may be inappropriate.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

¹⁰ Bevan Foundation (2023) A common approach to Welsh benefits: Feasibility study

¹¹ Marie Curie (2021) Dying in poverty – Examining poverty at the end of life in the UK: Implications for Wales

¹² Equality and Social Justice Committee (2022) Minding the future: The childcare barrier facing working parents

¹³ Same but Different CIC, Marie Curie, Hospice UK (2023) What Matters Most – Mo. Available online: [What matters most? - Mo & Graham — Same but Different \(samebutdifferentcic.org.uk\)](https://www.samebutdifferentcic.org.uk).

- 7.1. The existing lack of commitments within the Programme for Government or strategy on poverty as a whole makes determining how to allocate resources to tackle poverty challenging. Especially in the context of the continued increase in the cost of living, it would be helpful to have a comprehensive cross-government strategy to tackle poverty to ensure that resources are being targeted at those both in and most at risk of poverty.
- 7.2. People in Wales had the highest rate of end of life poverty of all the UK nations – with nearly one in three (30.4%) of working age adults in Wales dying in poverty in 2019¹⁴. People living with a terminal illness with dependent children are the most vulnerable of all family types to experiencing poverty in the last five years of life.
- 7.3. Any comprehensive strategy to tackle poverty must take into account the needs of those living with terminal illness.
- 7.4. Alongside partner organisations in the Welsh NHS Confederation Health and Wellbeing Alliance, we have called on the Welsh Government to produce a cross-government plan to reduce poverty and tackle inequalities. Though poverty and inequality have significant implication for the nation's health, and need for health and social care services, the NHS and local authorities do not have the levers to address these.
- 7.5. Survey research has shown that 60% of people in Wales feel their health has been negatively affected by the rising cost of living: 90% said this was due to increased heating costs; over three quarters (76%) said it was a result of the rising cost of food and almost half (45%) said it was down to increased transport costs¹⁵. We therefore again urge the Welsh Government to produce a cross-government plan for reducing poverty and inequalities in adults and children, which outlines action being taken across government departments, and setting out how success will be measured and evaluated through shared performance measures.
- 7.6. As highlighted previously, the Welsh Government should expand the less stringent health eligibility criteria for the new Warm Homes programme to include those living with a terminal illness.

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

- 7.7. In respect of gender inequality in healthcare, it would be helpful if the government could provide more detail on its timescales for producing a Women and Girl's Health Plan following the publishing of the Quality Statement for women and girls' health¹⁶.
- 7.8. As highlighted in previous research by Marie Curie, it is essential that palliative and end of life care are included in the Plan due to the different experiences and outcomes women have¹⁷.
- 7.9. The government should provide more clarity, in the budget, on how the Plan is to be resourced.

Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

- 7.10. As has been mentioned previously in this response, charitable and third sector palliative care providers are key partners in relieving pressure on NHS services. It would be helpful

¹⁴ Marie Curie (2022) [Dying in poverty: Examining poverty at the end of life in the UK – Implications for Wales](#).

¹⁵ Royal College of Physicians (2022) [Mind the gap: The cost of living crisis and the rise in inequalities in Wales](#).

¹⁶ Welsh Government (2022) [The Quality Statement for women and girls' health](#)

¹⁷ Marie Curie (2023) [Gender and end of life care: A Marie Curie policy paper exploring gender differences in end of life experience in Wales](#)

if the government could undertake further work with the sector to determine how pressures could be relieved on the NHS more effectively.

- 7.11. Furthermore, in order for the sector to successfully support the government in relieving pressures on the NHS, there is a need for a sustainable funding formula to support the delivery of serviced and ensure that the workforce within the third sector are treated the same as staff within the NHS.
- 7.12. We believe there is a strong case to view investment in palliative care, including the resourcing of palliative and end of life care within the community, as preventative spending. Early provision of palliative care is linked with improved quality of life, reduction in interventions of low benefits, and significant reductions in hospital admissions¹⁸. Providing ringfenced budget allocations to increase capacity within community PEOLC would ensure that investments made available to health boards for this purpose would be implemented as intended, and would reflect the Welsh Government's commitment to focus on end of life care set out in the Programme for Government.
- 7.13. While we welcome the Welsh Government's proposals through the Rebalancing Care and Support Programme to clarify the duty on local authorities to promote the delivery of the third sector and social value organisations, and the bolstered guidance for local authorities on co-production¹⁹, we would like to see guidance replicated as it applies to health boards and other decision making bodies within health and social care.
- 7.14. Currently, funding from the Welsh Government, which is directed through local authorities, health boards or RPBs, is often distributed between statutory organisations first before considering the role the third sector could play. The third sector therefore needs to be treated as a genuine partner at the outset and there needs to be transparency regarding the resources available for care and support and how these have been allocated.

How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

- 7.15. As has been highlighted previously in this response, the third sector is a vital partner to deliver on the Welsh Government's goals to move more care into the community and relieve pressures on hospitals and other NHS services. In order to move more care into the community, it is vital that the Welsh Government continues to work closely with third sector providers of care.
- 7.16. Furthermore, it would be helpful to have further clarity on how these ambitions of the Welsh Government are going to be resourced.

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

- 7.17. As has been mentioned earlier, considering the role that third sector providers play in providing essential day-to-day care to thousands of people living with terminal illness, commissioners should apply annual inflationary uplifts to year on year contracts and provide pay awards which align with salaries for statutory partners (e.g. Agenda for Change).
- 7.18. This is essential to ensure that there is not a two-tier system which rewards some of the workforce better than others and enables third sector providers to recruit.

¹⁸ Murray SE et al. (2017) Palliative care from diagnosis to death. *BMJ* 2017;356:j878 doi: 10.1136/bmj.j878.

¹⁹ Welsh Government (2023) [Rebalancing care and support programme](#)

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?

- 7.19. As has been highlighted previously, the cost of living and inflation have put a number of pressures on the ability to deliver services as a third sector provider.
- 7.20. In this response we have presented a number of actions we would like to see from the Welsh Government to guarantee that third sector providers are better supported to continue delivering essential services and relieve pressure on the NHS.

For more information, please contact:

Dr Tomos Evans
Policy and Public Affairs Manager, Wales



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 36: Ymateb gan: unigolyn (Saesneg yn unig) | Response from: An Individual (English Only)

"(Respondent has asked that their contact details are not published. Identifying details including names, dates and locations have therefore been redacted from the published version of this response)"



Senedd Finance Committee consultation: Welsh Government Draft Budget 2024-25

Introduction

- I am responding in a personal capacity to the consultation on the Welsh Government Draft Budget 2024-25 but have experience of working and volunteering in advice and housing services, which has informed this response.
- I am focusing on housing and support for people at risk of homelessness because I have seen how homelessness affects all the other areas of people's lives. A good quality home is primarily the foundation for people's wellbeing. However, unaffordability and unavailability of a home has a negative impact on wellbeing and affects people's ability to access other support that is available. In the last 8 years, I have directly provided housing advice to people experiencing homelessness, eviction, sofa surfing and losing their homes because they are unable to afford to rent privately. The cost-of-living crisis has increased the numbers in the last 3 years as families and individuals are increasingly having to choose between eating, heating, and paying rent.
- I am aware that too many people are experiencing homelessness and struggling to find an affordable, decent quality home. According to the most recent Welsh Government [statistics](#), over 11,000 people are in temporary accommodation and 167 people are sleeping rough.
- The Welsh Government budget needs to address this issue and put more investment into reducing homelessness and ensuring people in Wales can access a home and other support that comes with social housing.

Social Housing

- We do not have enough social housing in Wales. Tens of thousands of people are on social housing waiting lists and we need to improve the supply of social housing.
- The cost of building has increased over the last few years and it is vital that the appropriate level of funding is made available to cover these costs and deliver the social housing that people need.
- I, alongside others within the housing sector, welcome the record investment in social housing grant over the last two years but it is important this is sustained into 2024/25 at the levels in the indicative [budget](#) last year in order to build much needed social homes.

Temporary accommodation

- Currently there are [over 11,000](#) people in temporary accommodation much of which is unsuitable. Some local councils have seen almost a 4,000% increase in the cost of providing temporary accommodation from 4 years ago.
- There is need to improve the quality of temporary accommodation and move people more quickly into long term homes.
- Most people experiencing homelessness are vulnerable people, including people with particular health or support needs that cannot be catered in temporary accommodation. I have experience of advising and supporting people in this situation and include some examples below.
- Most temporary accommodation is not adapted or adaptable. People with health conditions such as arthritis or scoliosis needing lower toilets or grip bars have to resort to constantly using sanitary pads because they cannot use the facilities available. I had a client who had a terminal disease and had to adhere to a restricted diet. This client was made homeless and the

temporary accommodation was not fit for purpose because he needed to have special cooked meals. His situation was also very scary for his wife because she did not want her husband dying and spending his last days in a strange hotel.

- Pets are not allowed in temporary accommodation. This further affects the mental health of their owners as these pets are usually the one constant thing they still have available. An elderly woman who refused temporary accommodation and preferred to sleep in a tent in the fields during winter so she could keep her dogs with her.
- The Welsh Government's recently published White Paper outlines plans to improve temporary accommodation but it needs investment and adequate budgetary allocation.
- The Transitional Accommodation Capital Programme was introduced in 2022 to support local authorities and Registered Social Landlords with £76.4million to bring forward 936 more homes to help move people from temporary accommodation into longer term homes where they can settle.
- It has been [extended](#) to 2023/24 and is an important funding stream to enable homes to be made available more quickly, while we wait for longer term social housing to be built. This has included bringing long terms voids back into use, refurbishment to change the use or quality of properties, and acquisitions of properties.
- It is necessary that The Welsh Government should continue to provide funding for this scheme in 2024/25.

Welsh Housing Quality Standards (WHQS 2023)

- The Welsh Government has recently [published](#) its new Welsh Housing Quality Standards, which aim to continue to drive up and maintain the quality of social housing in Wales and help to decarbonise social homes in Wales.
- It is important for keeping people warm and reduce energy bills, particularly for people on low incomes as it makes a difference too their overheads. The number of people accessing energy vouchers or who constantly have to choose between eating food and heating their homes has been on the rise as the cost of energy increases
- The Welsh Government therefore needs to ensure appropriate funding for housing associations in order to enable them to deliver the new standards.

Housing Support Grant

- It is one thing putting a roof over someone's head, but lots of people need support.
- This support helps to prevent reoccurring homelessness by providing support to prevent risk of evictions. I would like to see fewer people being evicted – but landlords need support services to be readily available to support people to overcome their challenges
- More supported accommodation to help people out of homelessness is desperately needed. Even where we have less people being homeless, the ability to retain / remain in these homes will depend on varying needs and the availability of this support.
- For example, Post COVID Wales is facing an unprecedented rise in people having mental health issues and substance use problems and a general decline in physical health.
- The recent [report](#) by Cymorth Cymru shows:
 - Increased demand for homelessness services and greater complexity of support needs means that the support services are being stretched thin
 - No increase in the Housing Support Grant this year has led to reduced service capacity.
 - No increase next year will lead to organisations reducing capacity further, handing back contracts, and not bidding for new contracts.
 - Staff pay is poor compared to huge workload and complexity of work.

- It is therefore vitally important that the Housing Support Grant is increased next year so that services can meet people's support needs and continue to prevent and alleviate homelessness.

Discretionary Assistance Fund (DAF)

- The DAF makes the difference between a house and home for most people within the welfare system who cannot get credit or afford white goods and essential furnishing.
- It enables people get essential items without incurring more debts.
- It pays for critical things like ovens and is particularly important for families with children as they are able to eat well and live healthy lives with the commodities provided for through DAF.

Conclusion

I would like to conclude by stating that it is obvious that the housing sector is facing a crisis which the Welsh Government is aware of. The steps being taken to address and solve the arising issues (e.g. the Climate Change Minister's White paper on Ending Homelessness) is also acknowledged.

It is necessary that to support this laudable initiative of the government, the required resources and finances are allocated (either increased or maintained per the 3 year budget plan) to show the Welsh Government's true commitment to make a difference in the housing sector.

I am requesting that the Housing Support Grant is increased so that we do not lose the momentum we have gained so far and finally break the cycle of homelessness. Also, that more investment is made in the Social Housing Grant to enable the Registered Social Landlords to build more houses in line with the WHQS 2023. This would ensure a quicker transition from temporary accommodation to affordable social housing and reduce the cost of providing temporary accommodation.

Finally, more funding of the DAF will enable more people have access to high-cost living essentials.

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 37: Ymateb gan: Age Cymru (Saesneg yn unig) | Response from: Age Cymru (English Only)





Draft Budget Proposals – Senedd Finance Committee

Age Cymru response

November 2023

Age Cymru is the leading national charity working to improve the lives of all older people in Wales. We believe older people should be able to lead healthy and fulfilled lives, have adequate income, access to high quality services and the opportunity to shape their own future. We seek to provide a strong voice for all older people in Wales and to raise awareness of the issues of importance to them.

1. What, in your opinion, has been the impact of the Welsh Government’s 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

In relation to health and social care Age Cymru welcomed the additional funding to support the Real Living Wage in social care roles in 2023-24, continuation of funding to support unpaid carers, and additional funding for the Welsh NHS to assist in reducing waiting times for treatment. These areas are important to many older people across Wales, and it is vital that such resourcing is maintained in the longer term. It is difficult to see the positives that have come from continuation of such funding as the increased need for care and support after the main pandemic phase may be masking the positive impact that additional funding has made.

We were disappointed to see the funding to support public bus services reduced as this has damaging effects on older people who do not drive and heard through our annual survey of many older people who have been left isolated, and unable to access vital services such as health appointments, as a result.

We also welcome the statement by the Minister for Finance and Local Government on 17th October that Health and Social Services budget will increase by £425m and additional finances for public transport.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

3. What action should the Welsh Government take to help households cope with inflation and cost of living issues? How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

Increasing numbers of older people are approaching us for help with financial difficulties

Our information and advice service reports that numbers of older people coming forward to ask for help with maximising their income have been increasing. From June to September 2021 there was a 77% increase in benefit enquiries. The same period saw a 140% increase in calls about energy efficiency and energy price increases. In our latest annual survey 41% of older people told us they were not optimistic about the year ahead and a key concern within this related to increased living costs. In addition to these increases, we are seeing an increase in the number of areas that one individual caller asks for help with wider than financial matters.

Though we are able to assist people with understanding what financial support they may be entitled to, there is a rising number of older people who are just above the cusp of financial help – sometimes by just pence - who tell us they cannot afford the increased cost of living on a low and fixed income. The financial support to low-income households was welcomed last year and enquiries have been coming in around whether further support is available this winter. We are deeply concerned how older people in such circumstances will manage with expected energy cost increases in January 2024 and urge Welsh Government to give further consideration to how those most in need of financial support can be helped.

Transport

Through our engagement with older people across Wales we have been increasingly hearing about difficulties with accessing public transport. Many older people told us of the difficulties of unreliable bus services, or cuts to services which have been poorly communicated, particularly to those with limited online access. Some had local services which didn't run at the weekend or stopped early during the week, severely limiting their ability to get out into their communities. Poor transport was cited by a number of people as something that would prevent them from accessing the activities they enjoy. People also told us how it was becoming more difficult to access hospital or GP appointments via public transport, and that taxis are becoming unaffordable. Leaving many to rely on family and friends if they have them nearby, or

not being able to access vital health appointments at all. It is important that there is a national focus on the effects of loss of essential services such as public transport have on the Welsh economy.

An examination is needed of the barriers to use of public transport for the older population that includes structural issues such as seating, accessible signage and whether bus times are available offline, as well barriers that people might face such as loss of confidence and or loss of mobility through the pandemic.

A focus is also needed in NHS bodies on whether hospital transport arrangements are meeting the needs of an ageing population. This should include what support third sector organisations require to support the NHS in this area. Community transport options are used and valued by many older people across Wales. In particular it is vital that there is increased investment into community transport for communities that are ill-served by public transport options.

Digital inclusion / exclusion

Digital technology offers opportunities as well as challenges for older people, yet digital exclusion is a major issue for many older people. Older adults are at greater risk of digital exclusion and disadvantage. Those aged 65 or over are still significantly less likely, than younger age groups, to have internet access at home. [The Equality and Human Rights Monitor](#) says 24% of those aged over 70 are likely to use digital technology to support their health.

In terms of opportunities, digital skills can enable people to access online services and stay connected. Older people must be supported and encouraged to acquire digital skills and get online if they are able to do so. Libraries are places where older people can access computer technology and learn new skills, so they, alongside other local educational facilities, have an important role in promoting digital inclusion and lifelong learning. The vital role of library services in facilitating digital inclusion must be protected and extended to ensure that such services are accessible to older people.

Access to the internet should be treated as a utility service. It's important to recognise the significant cost of getting and staying online for some older people and to ensure that nobody is digitally excluded on cost grounds. It's essential that households in all parts of Wales can access reliable broadband.

It's essential that older people know how to use the internet safely. It's important to educate people about the types of online fraud that target people to help protect them from becoming victims of fraud.

As more information and services are made available mainly or exclusively online, there are real risks of excluding some older people. For those people who are unable to, or choose not to, use digital services, service providers must ensure that there are alternative ways to access services. Services provided online need to be high

quality and easy to use, whilst offline services should be of equal quality and fully accessible.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

We believe there should be a just transition towards net zero. Welsh Government must consider how fuel poor households can be supported to mitigate any risks that the decarbonisation of the housing stock may present to low income and vulnerable households, for example, whether available grants will be sufficient to cover the costs associated with the proposed switch from gas boilers to low-carbon heat pumps.¹ We would also highlight the importance of a ‘fabric first’² approach to upgrade the energy efficiency of fuel poor homes in Wales and help people move out of fuel poverty.

The Welsh Government must ensure that adequate funding is assigned to producing reliable and consistent public information on green economy schemes. There remains some public misunderstanding around energy saving schemes such as Nest, which is often confused with similar initiatives such as the UK Government’s ECO scheme. We have also noted that many people assume incorrectly that they are not eligible for Nest support, or that they will have to pay for any installation work.

We are concerned that this lack of understanding not only leads to people to miss out on help with energy efficiency, but also leaves the sector open to fraud. Through the Wales Against Scams Partnership (WASP), we have heard of cases of people exploiting the public’s lack of understanding around schemes such as Nest by claiming to work on behalf of the Welsh Government before carrying out poor-quality work at inflated prices.

There must be adequate funding to ensure that information on future Welsh Government green economy schemes is clear and widely available. This includes making sure that information is made available through non-online media, as many older people who may be eligible for assistance do not use the internet.

To create a modal shift and encourage people to use more sustainable modes of transport, reliable, accessible and sustainable public transport services need to be available, with good connections and ease of connection between the different forms of transport.

Age Cymru’s ‘What matters to you?’ [survey](#) reports that nearly one in five older people in Wales (18%) say public transport is a challenge for them. Older people in both rural and urban areas in equal measure report experiencing cuts to bus services. Some older people are having to be dependent on cars, including those

¹ BBC news (online) 19 October 2021. [Heat pump grants worth £5,000 to replace gas boilers not enough, say critics - BBC News](#)

² [Tackling fuel poverty 2021 to 2035 \[HTML\] | GOV.WALES](#)

who may wish to give up driving, as no public transport is available. (See question 7 about how cuts to bus services are impacting older people).

Recognition is needed that some older people depend on a car as the only practical form of independent transport, including older people that may experience mobility problems as they age, or for carers, and for those living in rural areas where public transport is sparse. Continuing to drive may be crucial for older people to get out and about, access essential services such as health care, and reduce the risk of social isolation, particularly in rural areas. It's important that there is supporting infrastructure in terms of sufficient car parking spaces (including blue badge parking spaces) to enable people that are reliant on cars to access communities and services. Some of our survey respondents mentioned difficulties around accessing facilities due to a lack of parking for blue badge holders.

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

7a. Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Response to our annual [survey](#) with nearly 1200 older people across Wales showed that 25% of older people said housing repairs are a challenge for them this year. Older people are more likely to own their home and are more likely to live in larger, energy inefficient homes. They have also had no opportunity to plan for increased housing repair costs seen in recent years. As included in question 4, older people need help to make homes more energy efficient and reduce their energy costs.

As included in (3) above, we are hearing from more older people who cannot survive on a fixed low income that is now worth much less in real terms since the Cost of Living Crisis began. UK wide assistance has tended to use working aged benefits as the passport to assistance, which leaves retired people without the ability to access the help they need. An examination is needed of whether financial support is reaching those who need it most.

As stated in question 3, older people are one of the most digitally excluded groups and as such are less likely to see online-only campaigns on help available. Feedback to our information and advice line suggests that the various routes for assistance have caused confusion and as such, some financial entitlements have been missed. As such it is vital that resourcing is allocated to ensure those that are digitally excluded do not miss out on entitlements.

7b. How could the budget further address gender inequality in areas such as healthcare, skills and employment?

For our recent [response](#) to the UK Parliament Women and Equalities Committee inquiry into the impact of the cost of living on women we undertook a deeper examination of the response to our annual [survey](#) with nearly 1200 older people across Wales.

Our survey found there has been an increase in the number of older people (both women and men) since last year that provide unpaid care. 39% of older women and 32% of older men told us they provide unpaid care. The amount of unpaid care provided has been increasing since our annual surveys began. In our first 2020 16% of older people told us that providing an unpaid caring role was a challenge. By 2023 this has increased to 27%.

When broken down further, there are gender differences in working aged carers and those above retirement age. 56% of women and 24% of men aged between 50 and 65 provide unpaid care. This changes for people over the age of 65, where 37% of men and 22% of women told us they provide unpaid care. If more women than men are leaving the workplace to provide unpaid care, this has implications for the future pension settlements and financial stability for those women.

Women told us finding work that fits with their responsibilities could be difficult, especially if they are a carer and need flexibility:

As such, there is a need for an increased focus on support for working aged women to stay in the workplace, which includes supporting them in their unpaid carer role so that their vital skills and experiences are not lost to the workplace. This needs to include consideration of flexibility around their caring role.

We heard from women who feel that workplaces do not consider the needs of older workers, and from those who feel that they have been discriminated against because of their age in applying for employment:

As such, an increased focus is needed on flexible working and terms and conditions to allow women to work who wish to do so.

7c. Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

In Wales we benefit from free prescriptions which helps reduce future demand on NHS care and at Age Cymru we believe this is something that should continue into the future.

Through our ongoing engagement with older people across Wales we have been hearing increasing issues for people who have been in receipt of free NHS services that are no longer available in their area such as dentistry, podiatry, toenail cutting services and ear syringing. This includes older people who are at increased risk

through conditions such as diabetes where ongoing monitoring is needed to prevent deterioration.

Falls are a serious problem for many older people. [30 to 60% of older adults living in the community fall each year](#) with around half of these falling more than once. [NICE guidance identifies](#) that the human cost of falling includes distress, pain, injury, loss of confidence, loss of independence and mortality. Falls also affect wider family and friends and represent a huge cost to the NHS in Wales.

Access to foot care services is vital to keep older people active and independent and to reduce the risk of falls, which are a major cause of serious injury and loss of confidence and independence in later life. Similarly, ear syringing contributes in the same way. It is vital that preventions and earlier interventions care and support continue to be made available to both reduce.

We recognise the pressures that the NHS is facing in terms of growing expectations through technological change and a less healthy population following the main phase of the pandemic and that there is a need for national conversation on what care can be provided for free in Wales.

Age Cymru was pleased to hear confirmation in the Westminster Autumn statement that the triple lock on pensions would be there for 2024/25. However, the fact remains that many older people living on fixed incomes have not had the opportunity to plan for changes in availability of free services as part of their financial planning for retirement and this change in availability of free care will disproportionately impact those on low fixed incomes. This inevitably means that some older people will go without the services they need to maintain their health. This in turn increases pressure on health and social care services such as through an increase in falls (see above). As such, further consideration is needed to understand how the loss of free services can be mitigated against reductions in health as a result of that loss.

In our second report on delays in access to social care, discussions with local authorities highlighted the difficulties they were experiencing following the main pandemic phase of meeting the expectations of the preventative agenda of the Social Services and Wellbeing Act (Wales) 2014. We were told of delays in planned changes due to a range of factors, not least of which was meeting increased urgent needs with a depleted workforce, and the lack of sustainable long term funding earmarked for preventative support. We heard how day centres had not reopened since the main pandemic phase whilst planned changes were being made on providing day care opportunities in different ways. Many older adult health monitoring clinics – either in GP surgeries or day centres - have also not reopened. Without a return to the level of availability of ongoing checks such as blood pressure monitoring, poorer health outcomes will be the result.

In addition to the direct health benefits of ongoing checks, community clinics are a key opportunity to give important information to older people who rarely leave home except for essential appointments and tasks. Increasing resourcing to community hubs, centres and clinics reduces need for higher level health interventions and helps older people's health and wellbeing.

It is vital that there is ongoing monitoring and action at national, regional and local level that ensures that preventative and earlier intervention care and support programmes and services continue to be provided across Wales.

7d. How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

7e. How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

7f. How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

We welcome the additional funding Welsh Government has allocated to assist with reducing waiting lists for planned care. We were also pleased to see development of plans for Waiting Well. We would like to see further detail within targets of specific treatments to ensure that 'easier wins' are not masking a lack of progress in specific areas. We were pleased to see the recent announcement of a specialist centre in North Wales.

It is vital that planning of services takes full account of all infrastructure considerations so that missed appointments do not increase as a result of inaccessibility. Whilst Accelerated Cluster development and other plans are in place to deliver frequently needed services closer to people's homes, we are concerned that a lack of holistic planning may have negative consequences. As we have included in question 3, older people struggle to access health appointments via public transport, therefore transport options need to be considered.

7g. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

Looking ahead, the Welsh Government must ensure that the public sector workforce supports older workers. As of [May 2023](#), 68.6% of people aged 50-64 in Wales were employed, a figure that dropped to 9.6% for over-65s. In our latest annual survey 11% of older people said that they had experienced discrimination due to their age in the workplace. Older people are more likely to be made redundant and less likely to be employed in the first place, especially [if the role requires training](#). Examples of ageism in employment include assumptions that older people are unable to learn new skills, that they are 'set in their ways', and that they lack drive and ambition due to their proximity to retirement. These assumptions persist despite [evidence](#) suggesting that older workers are often more experienced and indeed more productive than their younger colleagues.

It is important that the Welsh Government takes steps to improve the accessibility of the public sector workforce to older people. This means breaking down ageist

attitudes in the recruitment process by ensuring that candidates are judged on aptitude rather than age. From a budgeting perspective, this also means ensuring adequate funding for training and retraining older workers so that they are not at a disadvantage when applying for public sector roles.

7h. Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

We are unclear whether sufficient resourcing is being allocated to improving dialogue between all public service areas. Feedback from older people and partners across Wales indicates that silo thinking remains in some areas that is reducing the improvements in integrated working.

Welsh Government plans to develop a National Care service for Wales are welcomed as integrated working will produce efficiency savings over time. As an example, with increasing numbers of local authority staff now working from home, efficiencies could be made in the use of health and social care buildings.

7i. Is there enough infrastructure investment targeted at young people?

7j. How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

7k. 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?

We recognise the difficult decision that needs to be made with a reducing overall budget. Given funding pressures, it is important that funding is targeted towards where the level of need and holistic risk of harm is examined to ensure that decisions do not have unintended adverse consequences.

We have included above a focus on how preventative care, support and programmes need to be protected so that people across Wales have the tools they need to maintain their health, improve wellbeing and also reduce future demand on support and care services. We have also included evidence of increased need for support from our information and advice services. Where possible, third sector services across Wales are looking at how they maximise their reach and improve outcomes for their client group. This requires stability of funding in order to retain skilled staff who may otherwise leave for stable employment, reduce the need for repeated recruitment and so are able to focus more resourcing into good quality service delivery, service development and improvement.

7I. 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 Well-being of Future Generations Act.

People aged 65 years or older were estimated to account for just over a fifth (21.5%, or 674,000 people) of the total population in Wales in mid-2022.³ The overall population of Wales has continued to age since the 2011 census. In 2021, 21.3% of the population was over 65, rising from 18.4% in 2011.⁴ The [latest estimates](#) suggest that 31% of the population of Wales will be over 60 by 2031. As such, older people's needs are an increasing and urgent priority.

Well-being goal: A Healthier Wales: seamless, preventative organisations and services

In order to improve the health and wellbeing of older people in Wales, a more holistic approach needs to be taken to ensure that older people have the resources and support to maintain health. As included above, transport infrastructure, increasing distance to travel for health related appointments and reductions in community centres all serve to erode older people's ability to maintain health and wellbeing. Barriers to engaging with services need to be examined and actions taken to improve ease of access.

As the act states, enabling this goal requires a shift in investment to a Wellness system. All services (public, private and third sector) must work together to provide the range of services and programmes needed to maintain and improve health. This needs to consider how people find out about where help is available (both online and offline), how transport infrastructure can be strengthened to improve ease of access and whether the volume and range of services exist. To make the best use of valuable resources, it is vital that older people are involved in all decision making that affects their daily lives.

Well-being goal: A prosperous Wales: decent work

Creating age friendly workplaces is of vital importance to older people. Last year Age Cymru held an [Older Workers Event](#) in the Senedd exploring barriers to employment for older people and the benefits of creating an age friendly workplace to employers.

In our latest annual survey there was an increase of 13% of older people working either full time or part time and a 6% reduction in those that have retired. 78% of older people who told us they planned to retire later than originally planned said this was because they could not afford to retire yet.

As included in 7(g) above, 13% of older people felt they had been discriminated against in the workplace due to their age and some told us they felt their age was a barrier to getting as far as the interview process. Breaking down ageist attitudes in the recruitment process will ensure that candidates are judged on aptitude rather than age. Opportunities to retrain and providing career progression pathways for

³ [Mid year estimates of the population: 2022 | GOV.WALES](#)

⁴ [Equality and Human Rights Monitor: Is Wales Fairer? \(equalityhumanrights.com\)](#)

older worker will ensure that valuable skills and experience are not lost to the Welsh economy.

From a budgeting perspective, this also means ensuring adequate funding for training and retraining older workers so that they are not at a disadvantage when applying for roles.

Well-being goal: A Wales of cohesive communities (Attractive, viable, safe and well-connected communities)

Planning for, and responding to, demographic change should be a key consideration in planning policy. Planning decisions should take into account how they will affect people across different stages of the life course of future generations.

Public and community transport are vitally important in helping older people to maintain independence and well-being. Such transport networks can ensure communities are well-connected and that services, facilities and amenities are accessible to older people. Without these, there is an increased risk that isolation and loneliness will impact upon people's well-being. It's essential that older people in all areas have the means to get out to buy food, access healthcare, get money and pay bills, and have social contact.

Age Cymru's latest 'What matters to you?' [survey](#) reports that nearly one in five older people in Wales (18%) say public transport is a challenge for them. Older people in both rural and urban areas in equal measure report experiencing cuts to bus services. Respondents said reduced or unreliable services impacted on their ability to attend health appointments, especially those with mobility issues.

A lack of public transport can increase isolation and loneliness by reducing opportunities to socialise or join groups and activities, which is particularly important after the pandemic that disproportionately affected older people. Older people told us the lack of public transport in the evenings affects their ability to attend places such as theatres, cinemas, and places of worship - activities that are crucial to help people combat isolation and loneliness post pandemic.⁵

Priorities in the Welsh Government's 2020 strategy on 'Loneliness and social isolation (connected communities)' include better infrastructure, such as transport links.⁶ Reliable public transport needs to be readily available in communities across Wales so that older people can access the services and support they need and go about their daily lives. When considering transport links, it is important that all transport options are considered. Many areas, particularly rural areas, in Wales have historically suffered from a poor public transport infrastructure and have relied on community transport options to reduce transport issues.

Bus operators, local authorities, and the Welsh Government must work together to deliver the service people need. Older people are some of those most affected by

⁵ [Age Cymru | Annual survey \(ageuk.org.uk\)](#)

⁶ [Equality and Human Rights Monitor: Is Wales Fairer? \(equalityhumanrights.com\)](#)

poor public and community transport and so their needs should be considered, and their voices heard, in any future planning.

Community Transport schemes provide an essential lifeline for many older people, especially in rural areas. We would like to see increased community transport provision across the whole of Wales as it plays a vital role in assisting people unable to use mainstream public transport, or where public transport is not available. Levels of public funding allocated to community transport must be closely monitored by the Welsh Government to ensure stability of provision and maintenance of vital services.

We are concerned about the recent cuts to the Bwcabus service and the impact that this will have on older people in being able to access services and communities. It's important that successful good practice models of demand responsive transport and community transport are replicated and supported to ensure their sustainability.

Age Cymru is a registered charity 1128436. Company limited by guarantee and registered in Wales and England 6837284. Registered office address Ground Floor, Mariners House, Trident Court, East Moors Road, Cardiff CF24 5TD. © Age Cymru 2023.

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 38: Ymateb gan: Plant yng Nghymru (Barnardo's Cymru, Achub y Plant Cymru, NSPCC Cymru/Wales, Home-Start Cymru, The Children's Society, Gwasanaeth Eiriolaeth Ieuenctid Cenedlaethol (NYAS) Cymru, Plant a Theuluoedd (TGP) Cymru and Gweithredu deos Blant)

(Saesneg yn unig) |

Response from: Children in Wales (Barnardo's Cymru, Save the Children Wales, NSPCC Cymru/Wales, Home-Start Cymru, The Children's Society, National Youth Advocacy Service (NYAS) Cymru, TGP Cymru and Action for Children Wales)

(English Only)



Chair, Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1NS

November 2023

Dear Peredur Owen Griffiths MS,

Re: Welsh Government Draft Budget Consultation

We are responding as a collective of children's organisations (listed below) to your call for evidence to inform your scrutiny of the Welsh Governments 2024-25 draft budget proposals being published in December 2023.

Within the context of the challenging fiscal and cost-of-living pressures impacting on babies, children, young people and their families, alongside the demands being placed upon public and third sector services providing essential preventative and crisis support, we believe that the 2024-25 budget provides a unique opportunity to **place babies, children and young people at the centre of the budgetary process.**

It has been well documented that babies, children and families, particularly those most vulnerable and disadvantaged due to their characteristics or circumstances, continue to be most exposed to and disproportionately affected by present adversities and the legacy of the global pandemic. This is evidenced through the reported rise in mental health difficulties, poorer emotional well-being, worsening health and education outcomes, and deteriorating family financial situations being witnessed across our services.

Investing in babies, children and young people is not only morally right, but also makes economic sense.

Protecting children's rights and their well-being by investing in programmes and quality services can help break the cycle of poverty and disadvantage for families and enable babies, children and young people to thrive and reach their full potential, minimising inequalities in health, education and life chances.

We are therefore calling for the 2024-5 budget to be an ambitious budget for babies, children and young people.

Below, we identify a number of priorities for investment that will deliver for babies, children, young people and their families.

Investing in interventions for babies, children and young people

We recognise the difficult financial climate in which budgetary decisions are now being made in the context of 13 years of austerity, the legacy of the global pandemic and the unrelenting cost of living crisis impacting on babies, children, young people and families and those services which are accessed.

In this context, it is therefore vital that a concerted effort is made across all government departments to fully protect the budgets for those programmes, interventions and services which an increasing number of babies, children, young people and families are reliant upon. Demand for services across the children's third sector are exceptionally high, reflecting growing levels of need and complexity of need amongst babies, children, young people and their families.

Whilst it's understandable and desirable that ministers will wish to look to safeguard services and interventions which provide an essential support mechanism for babies, children, young people and families currently in crisis, it is equally essential that early intervention, family support, edge of care and prevention programmes are also protected and strengthened to limit future demand and escalation of need. We do not wish to see babies, children, young people and families having to wait until their situations reach crisis point to then be eligible for more costly interventions.

The Welsh Government should

- Prioritise investment in interventions which are delivering positive outcomes for babies, children, young people and their families.
- Ensure that early intervention and prevention programmes are prioritised and fully resourced, alongside services which provide crisis support.

Ending Child Poverty

The unrelenting cost of living crisis is showing no sign of ending anytime soon and is leading to increasing levels of poverty that continue to have a devastating effect on the families that we work with. Addressing child poverty levels was one of the key recommendations in the State of Children's Rights in Wales Report¹ and this was repeated in the Concluding Observations from the United Nations Committee on the Rights of the Child² in June this year.

We welcome Welsh Government's consultation on its new child poverty strategy. However, we remain concerned that without a national, child-rights-focused Child Poverty Action Plan to provide a measurable pathway and prioritised funding for the implementation of the strategy, then the situation will continue to worsen for many families.

¹ Wales UNCRC Monitoring Group (2023) [State of Children's Rights in Wales](#) : Civil Society submission to the UN Committee on the Rights of the Child, Children in Wales.

² United Nations Committee on the Rights of the Child (2023) [Concluding Observations](#) : United Kingdom of Great Britain and Northern Ireland, UN Treaty Bodies

We would encourage Welsh Government to consider a number of other key areas to support babies, children, young people and families in the upcoming budget.

While we welcome the continued role out of Free School Meals to all primary school pupils, we are keen to see a budget commitment to extend this offer to all secondary school children whose families are in receipt of Universal Credit, in line with the existing Programme of Government commitment to review eligibility criteria³. The critical Impact Assessment Report⁴ into the decision to withdraw Free School Meals during school holidays made earlier this year, echoes our previous collective concerns⁵ and calls for this much needed provision to be restored in light of escalating food insecurity and hunger amongst low-income children and families. The simultaneous cut to the School Essentials Grant at this time has also acted as a multi-layered hit to families and further emphasises the need for review of the effectiveness and sustainability of support currently being offered to families to account for the cost of schooling.

Accessible and affordable transport has been repeatedly identified by children and young people as a barrier and priority for government action⁶. We would like to see funding allocated to ensure under 16's can have access to free public transport.

We would also like to see a commitment to the introduction of a child payment similar to that being delivered in Scotland, especially in light of the positive outcomes it is delivering for parents of eligible children⁷.

Babies and very young children are particularly vulnerable to the impacts of poverty. Children's experiences in their first days, weeks and years significantly influences the rest of their lives. We welcome the recent expansion of Flying Start but want to see an enhanced childcare offer for all 0–4-year-olds across Wales, ensuring all children living in poverty are able to access high quality childcare regardless of their parents work status.

Additionally, we are growing increasingly concerned about the number of asylum seeker families who are waiting lengthy amounts of times; some up to five years based on the families some of our member organisations have supported, to receive their official refugee status. In the interim, families are ineligible for the majority of impactful and essential support and are relying upon the generosity of charities. Although we recognise the limit to Welsh Governments powers to shorten this process for asylum seeker families, we urge Welsh Government to recognise asylum seeker families who are in crisis as a result of this shortfall and to provide effective intervention for babies, children, young people and families who are suffering in poverty and feel left behind.

³ Welsh Government (2021) [Programme for Government](#), PP. 5

⁴ Welsh Government (2023) [Holiday Free School Meals Impact Assessment](#)

⁵ Children in Wales, Save the Children Cymru, Barnardo's Cymru, Action for Children Cymru/Wales, NSPCC Cymru/Wales, The Children's Society, TGP Cymru, NYAS Cymru, Home-Start Cymru (2023) [Correspondence with Senedd Children, Young People and Education Committee in relation to cuts to Welsh Governments decision to scrap free school meals during school holidays](#).

⁶ Young Wales/Children in Wales (2023) [Young Wales report to the United Nations Committee on the Rights of the Child](#)

⁷ The National (2023) [Scottish child payment significantly impacting child poverty](#) (22.09.23). See also Scottish Government (2022) [Scottish Child Payment: Interim evaluation](#)

The Welsh Government should

- Ensure that the revised Child Poverty Strategy is fully resourced with a tracking mechanism in place through an Action Plan to monitor investment and spend.
- Extend Free School Meals to all secondary school children whose families are in receipt of Universal Credit and to reverse their decision to remove Free School Meals during school holidays.
- Enable all children and young people under 16 to have free access to public transport.
- Consider replicating the Scottish Child Payment scheme in Wales.
- Invest in an enhanced childcare offer for all 0–4-year-olds across Wales.
- Provide robust and sustainable support for asylum seeker families as they wait to receive their refugee status to prevent families going into crisis.

Mental Health

Through our extensive work across Wales, we know that babies, children and young people are struggling with their mental health. Successive crises from the pandemic to the cost of living are having a significant impact on health and wellbeing and this will continue unless it is urgently addressed. The EHRC's 'Is Wales Fairer 2023' report⁸ highlights that Wales has the highest demand for Community Mental Health Teams for children and young people in the UK.

We remain concerned about the impact of child poverty on mental health. Long waiting lists are also taking their toll on young people along with limited access to sufficient support for those who don't meet the statutory threshold.

Babies and young children who have experienced abuse, trauma or parent-infant relationship difficulties are at particular risk of experiencing a range of mental health problems throughout their lives, requiring timely and effective early support, and access to specialist therapeutic services to help them recover from early adversity, and which are lacking⁹. Investment in services which support babies' mental health will help to set children on a positive developmental trajectory, bringing savings to the public purse through reduced costs for public services and increased participation in the economy¹⁰.

The Welsh Government should:

- Invest in third sector services that support the wellbeing of children, young people and their 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.

⁸ Equality and Human Rights Commission (2023) [Is Wales Fairer?](#)

⁹ Specialised parent-infant relationship teams provide therapeutic support where babies' development is most at risk due to severe, complex and/or enduring difficulties or trauma in their early relationships. These teams work to strengthen early relationships, which are protective, and they help babies to recover from early adversity. There are only two specialised parent-infant relationship teams in Wales. See Hogg, S (2019) [Rare Jewels. Specialised parent-infant relationship teams in the UK](#). Parent Infant Partnership UK, and NSPCC (2021) [Infant and Family Teams](#).

¹⁰ First 1001 Days Movement [Investing in Babies The economic case for action](#). Evidence Brief 6

- Invest in parent-infant relationship services, to ensure there is a team in each area of Wales that can support babies and young children who have experienced trauma and abuse and parent-infant relationship difficulties.
- Provide additional funding to address the lack of support for those in the ‘missing middle’ where young people do not meet the threshold for statutory services.
- Ensure that children, young people and their families can access mental health services within their own local authority area.

Edge of Care & Care-experienced children and young people

We support the Welsh Government's vision to transform children's services through enabling more children to remain with their families with fewer children entering state care. Achieving this vision requires a shared commitment as well as sustainable long-term investment in preventative, family support and edge of care programmes of support for babies, children, young people, parents (including expectant mothers) and families, including provision through the Families First programme.

The upcoming budget also provides an opportunity to ensure that care-experienced young people have access to financial support and advice to help them transition towards living with more independence. This is especially important in light of the recent Senedd CYPE Committee's inquiry report¹¹ into Welsh Government's commitment to reform children's social care, in which it found that many young people face a ‘cliff edge’ of support after leaving care, such as access to financial support and advice.

Although we welcome the Basic Income Pilot and await to learn the outcomes from the evaluation of the pilot, it is important to remember that not all care-experienced young people have participated in the pilot, either because they will have already left care or will have missed the window for participating in the pilot, and therefore will not have received the financial support brought about by participating. It is crucial that these children and young people are not forgotten, and that Welsh Government ensures that they have the financial stability to make the best possible start in their adult lives.

The Sustainable Social Services Third Sector grant has been invaluable in transforming the way people's needs for care and support are met, empowering third sector organisations, with a proven track record in delivering projects throughout the social care sector, to deliver critical front-line services within a three-year funding window. The removal of this grant, and focus on short-term, project-based funding, will reduce the efficacy and long-term benefits of established projects while putting additional strain on third sector organisations from both a financial and resourcing perspective.

Additionally, we urge Welsh Government to provide funding to ensure that the elimination of profit from children's social care is done as safely as possible. We note the recent commitment of £68m of funding over the next three years for developing new local authority provision, but sufficient funding must also be available to assist existing for-profit providers to transition towards becoming not-for-

¹¹ Senedd Children, Young People and Education Committee (2023) [Services for care experienced children: exploring radical reform](#)

profit providers, and for ensuring that transitional provision is in place so that the care provided for children and young people is not disrupted.

The Welsh Government should

- Sustain investments into vital support programmes to continue keeping families together, wherever safe to do so. This should include the protection of Families First to continue offering early intervention and prevention services to families across Wales.
- Ensure there is sufficient investment in programmes which support care experienced children and young people, and which deliver the radical reform required as identified by the Senedd CYPE Committee inquiry and 27 recommendations.
- Ensure the future of the Sustainable Social Services Third Sector grant, providing a long-term funding commitment to critical third sector led projects and initiatives that support, safeguard and empower the lives and voices of babies, children and young people throughout Wales.
- Provide a long-term solution to financially supporting young people transitioning from care (post Basic Income Pilot), through embedding a more holistic, wrap-around financial and employment/education/training offer, to ensure that no child with continuing support needs is left behind.

Children's Rights

Children's rights should be at the forefront of all budgetary decisions, with all ministers being required to ensure that all matters which impact on children, including financial considerations, are fully compliant with the UNCRC.

We have consistently called for the Welsh Government to produce and publish a Children's Rights Impact Assessment (CRIA) as part of the budget, to demonstrate compliance with statutory duties prescribed through Section 1 of the Rights of Children and Young Persons (Wales) Measure 2011 and the Articles of the UNCRC¹². The Senedd CYPE Committee have repeated their calls for a CRIA¹³ to be published, despite the Welsh Government rejecting previous recommendations¹⁴. In June, the UN CRC Committee again called upon the Welsh Government to '*Develop mandatory child-rights impact assessment procedures for legislation and policies relevant to children*¹⁵'

The Welsh Governments preference for a holistic Strategic Integrated Impact Assessment to accompany their draft budget means that it is not possible to assess or analyse whether the 'maximum level of available resources' to fulfil UNCRC obligations are being met.

¹² Wales UNCRC Monitoring Group (2023) [State of Children's Rights in Wales](#) : Civil Society submission to the UN Committee on the Rights of the Child, Children in Wales

¹³ Senedd Children, Young People and Education Committee (2023) [Letter from Chair of the Committee to the Minister for Health and Social Care, Deputy Minister for Social Services and Deputy Minister for Mental Health and Wellbeing](#)

¹⁴ Senedd Children, Young People and Education Committee (2023) [Welsh Government Response to the recommendations from the Children, Young People and Education Committee Report: The Welsh Government's Draft Budget 2023-24](#)

¹⁵ United Nations Committee on the Rights of the Child (2023) [Concluding Observations](#) : United Kingdom of Great Britain and Northern Ireland, UN Treaty Bodies

There is a lack of transparency on expenditure on children in public budgeting across all ministerial portfolios making it difficult to track and assess changes in funding allocations to specific policy priorities and programmes, as well as the proportion of spend on children. Without transparent evidence it is impossible to determine whether the Welsh Government have adhered to their duty of due regard to the UNCRC or whether the principle of the 'best interest of the child' 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 babies, children and young people and whether allocations are sufficient.

The Welsh Government should

- Publish a CRIA alongside its 2024-25 budget.

We have welcomed the opportunity to provide input into this consultation and would be happy to provide more information should this be required.

Yours sincerely,



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 39: Ymateb gan: Clinks (Saesneg yn unig) | Response from: Clinks (English Only)



Clinks
82A James Carter Road
Mildenhall
Suffolk
IP28 7DE

Peredur Owen Griffiths MS
Chair, Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

30 November 2023

Dear Chair

Re. Finance Committee call for information – Welsh Government Draft Budget proposals for 2024-25

Clinks is delighted to again be able to provide evidence to the Finance Committee about the Welsh Government Draft Budget. As the infrastructure organisation for the criminal justice voluntary sector in England and Wales, we will be focussing our evidence on the question, '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?'

Clinks is a membership organisation with over 500 members, including the voluntary sector's largest providers, as well as its smallest. We have 37 members who are either based in, or operate significant projects in, Wales. In addition, we have a dedicated member of staff whose role is specifically focussed around supporting the criminal justice voluntary sector in Wales and building relationships with statutory sector stakeholders.

Last year, [Clinks provided evidence to the Committee](#) drawing on the research we conducted as part of our *State of the sector* project, and our regular and ongoing engagement and support to the sector in Wales. This noted that the number of service user organisations were supporting was rising, there was an increase in service user need, and organisations reported planning to take on larger caseloads in response. It also saw organisations report significant rises in their operating costs as a result of rising inflation and cost of living.

The overall picture that Clinks presented in evidence to the Committee as part of its inquiry last year remains very similar. Below, we identify some updated figures based on our ongoing research and engagement with organisations in Wales.

As part of our forthcoming *State of the sector 2023* report, we again ran a survey of the criminal justice voluntary sector across England and Wales. We conducted the survey in the summer of 2023, asking about the 2022-23 financial year. This received over 100 responses of which 32% (46 organisations) said they operated in Wales. Of those organisations operating in Wales, most worked in South Wales and North Wales (78% and 76% of respondents operating in Wales respectively), with fewer operating in Gwent and Dyfed Powys (51% and 47% respectively).

In 2023, organisations across England and Wales continued to report a significant rise in the urgency, level, and complexity of service user need, continuing the trend seen across previous research. Moreover, 63% also reported an increase in service user numbers in the most recent financial year, compared to the previous year. In response to the level, complexity, and urgency of service user need, 53% of respondents

reported their staff were taking on larger caseloads, with the same percentage also saying they were seeking more funding.

The Welsh Government is a significant funding source for criminal justice voluntary organisations operating in Wales. In our 2023 survey, 22% of organisations operating in Wales said they applied for a grant from the Welsh Government. Moreover, 20% of Welsh respondents said government/statutory grants made up their organisation's largest source of income. As criminal justice is not a devolved area of government, this is particularly significant. There will be many organisations working in areas such as poverty relief, substance use, and accommodation who provide vital support to people in contact with the criminal justice system. The support these people receive from voluntary organisations in Wales is likely a lifeline to them, helping them to transform their lives.

Given the situation facing the Welsh criminal justice voluntary sector, it is, therefore, essential the Welsh Government, in its budget, recognises the role it plays in supporting these organisations, and the people those organisations work with. As we outlined to the Committee last year, this can most effectively be done by providing flexible, unrestricted, multi-year grants. The cost-of-living crisis continues to drive up costs for voluntary organisations: in our 2023 survey, 78% of all respondents said their costs increased, with 47% saying they had increased significantly. As such, these grants must reflect the real costs of providing the support that people in contact with the criminal justice system need. Clinks will continue to advocate that both the government in Westminster and the Welsh Government adequately fund the voluntary sector. In addition, Clinks is continuing to work with ministers and officials in the Ministry of Justice to try to improve commissioning and funding for voluntary organisations operating across England and Wales.

With the current pressures faced by prisons around capacity, and the measures being introduced to try to address this issue, there are also currently acute challenges that need to be considered. The rising prison population will likely exacerbate the already stretched resources of voluntary organisations at a time where prison overcrowding may mean people require additional support.

[Research by Dr Robert Jones from the Welsh Governance Centre at Cardiff University](#) also highlights some of the specific challenges Welsh prisons have been facing, in addition to the current capacity pressures. This found that, in 2022, there were 151 Welsh people in prison (based on home address) per 100,000 of the Welsh population. This is compared to a rate of 134 English people in prison per 100,000 of the English population. [Compared to imprisonment rates in 2022](#), this would give Wales a higher imprisonment rate than England and Wales as a whole, and the highest in Western Europe. Amongst other things, this research by Dr Jones also found the average number of people held in Welsh prisons surpassed 5,000 for the first time in 2022, and the previously identified trends of racially minoritised people in Wales being over-represented in almost all stages of the criminal justice system continued in 2022.

[Previous research from Dr Jones](#) published in 2020 also noted the Welsh prison estate was facing a disproportionate number of Covid-19 infections. It was found that, as of June 2020, one in five of all confirmed cases of Covid-19 among people in prison were being reported in Welsh prisons, despite them only holding 6% of the total prison population across England and Wales.

The Government's plans to introduce a presumption against prison sentences of 12 months or less, in favour of suspended sentences is very much welcomed by the sector. However, [this change is forecast to lead to an increase of between 1,700 and 6,800 in community caseloads](#). Non-quantified costs are also anticipated to include community resources such as health and housing.

Other measures in the Sentencing Bill and Criminal Justice Bill, such as the expansion of Home Detention Curfew, which has also been welcomed by the sector, the making of Multi-agency Public Protection Arrangements automatic for certain groups, and the extension of polygraph testing will also place further

burdens on an already stretched probation system. This means it is important the Welsh Government works carefully with the voluntary sector to ensure organisations have the financial resources available to continue to support people in prison, on licence, and serving community sentences as they are likely to be facing increased demand and pressures.

As a significant funder of the sector in Wales, the Welsh Government's budget can provide vital support for Welsh voluntary organisations through flexible, unrestricted, multi-year grants. By ensuring the Welsh criminal justice voluntary sector is adequately resourced, organisations can continue to work with people in contact with the criminal justice system to help them transform their lives, and so reduce reoffending. Insufficient funding will result in organisations having to make cutbacks to their services, even though demand for help and support from people in contact with the justice system continues to rise.

We would be very happy to provide any further information to the Committee that may assist it in its work.

Yours sincerely,

Sam Julius
Head of Influence and Communications
Clinks

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 40: Ymateb gan: Prifysgol Metropolitan Caerdydd (Saesneg yn unig) |
Response from: Cardiff Metropolitan University (English Only)

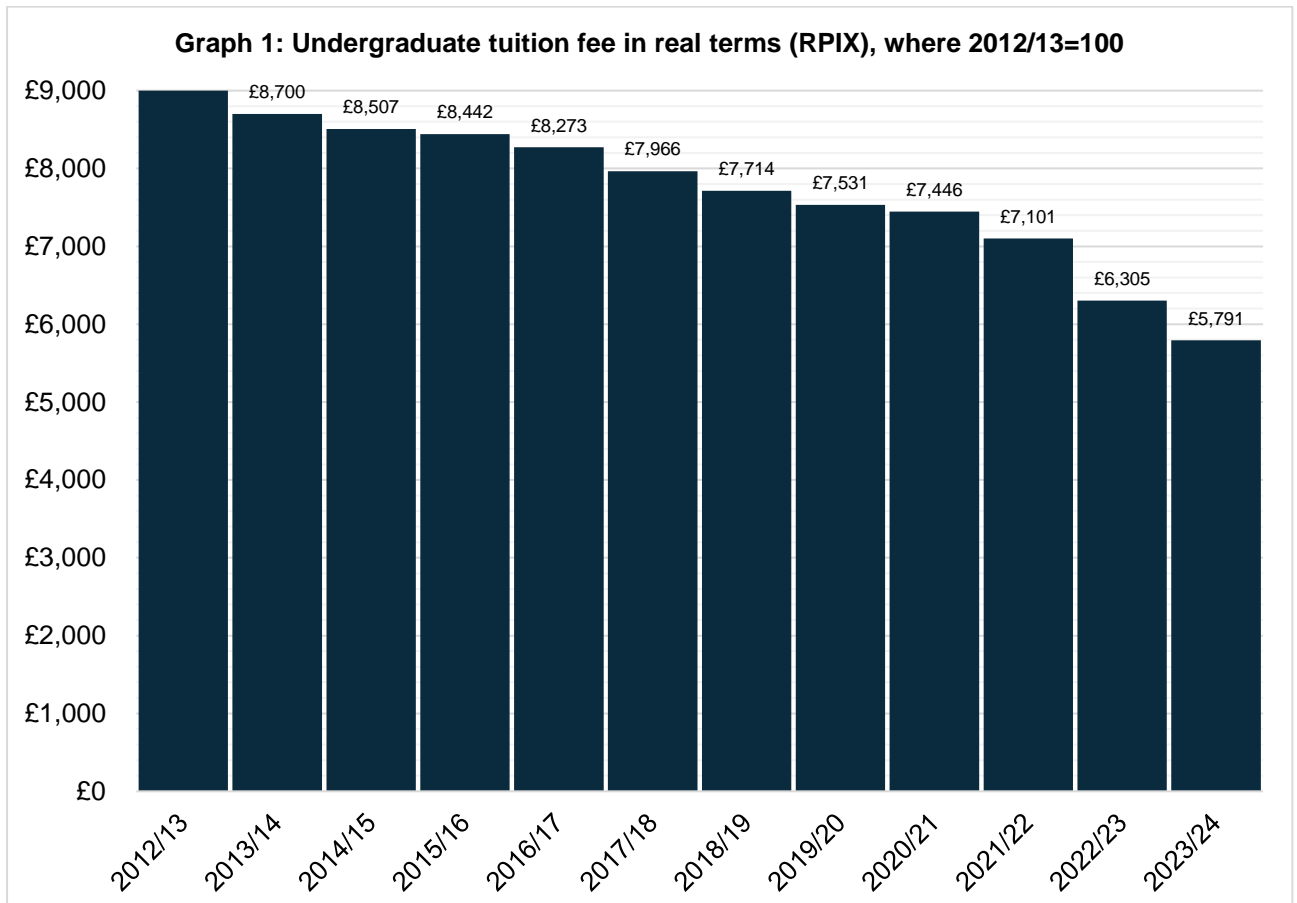


Cardiff Metropolitan University response to the Senedd Finance Committee inquiry into the Welsh Government draft budget 2024/25

- i. In the most recent analysis, universities generated £5.3bn for the Welsh economy.¹ UCAS estimates that demand for UK higher education will rise until 2030 and peak at one million applicants, with international demand growing until 2050.^{2 3} Universities UK states 95% of new jobs in Wales will be graduate level by 2035, necessitating an additional 402,825 graduates.⁴ The ability to meet demand and fill skills gaps depends on a strong higher education sector.
- ii. The indicative budget for 2024/25 showed a proposed allocation of c. £200m for higher education, representing no increase on the final 2023/24 budget (or a cut against supplementary budgets for 2023/24).⁵ Cardiff Metropolitan University recommends Welsh Government uses the 2024/25 budget to focus higher education funding on:
 - Higher cost subject premia for full-time undergraduates.
 - Innovation via the Research Wales Innovation Fund, taking it closer to £25m.
 - Capital, at least reinstating the £10m allocation.

1. Fee income

- 1.1 Applications and acceptances to universities fell in 2023, possibly reflecting cost-of-living pressures.^{6 7} To note, Welsh Government uprated students’ maintenance support in line with inflation at the start of 2023 but other governments’ support is less resilient.^{8 9}
- 1.2 The tuition fee for UK undergraduates has been £9,000 in Wales since 2012/13. Based on ONS data for RPIX, the fee was less than £6,000 in real terms at the start of this academic year.¹⁰ From OBR projections for RPIX, it will fall below £5,500 by the start of 2027/28.¹¹



- 1.3 The situation in other parts of the UK is different, with Wales the only country that does not charge £9,250 for students domiciled in another UK nation.

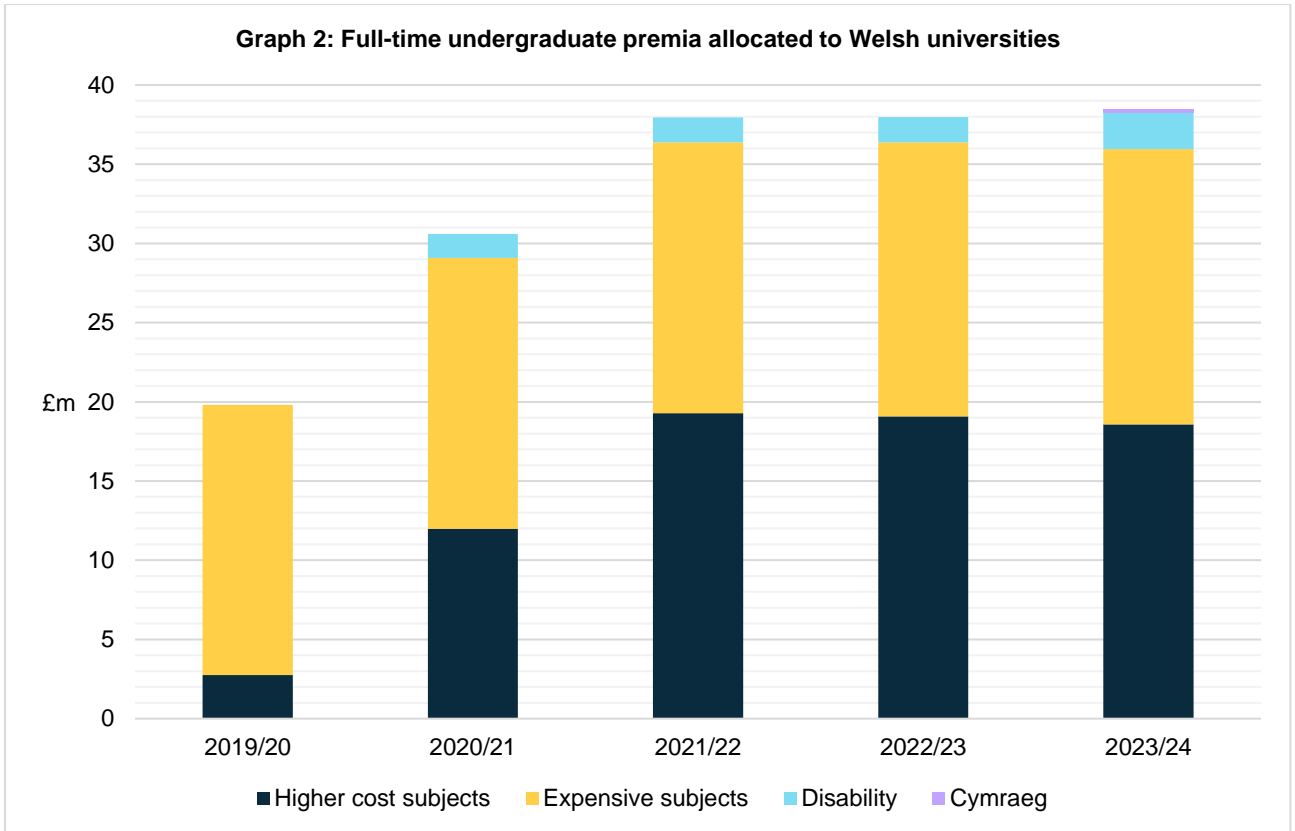
Table 1: Maximum undergraduate tuition fees for 2023/24

University location	Domicile			
	Wales	England	Scotland	Northern Ireland
Wales	£9,000	£9,000	£9,000	£9,000
England	£9,250	£9,250	£9,250	£9,250
Scotland	£9,250	£9,250	-	£9,250
Northern Ireland	£9,250	£9,250	£9,250	£4,710

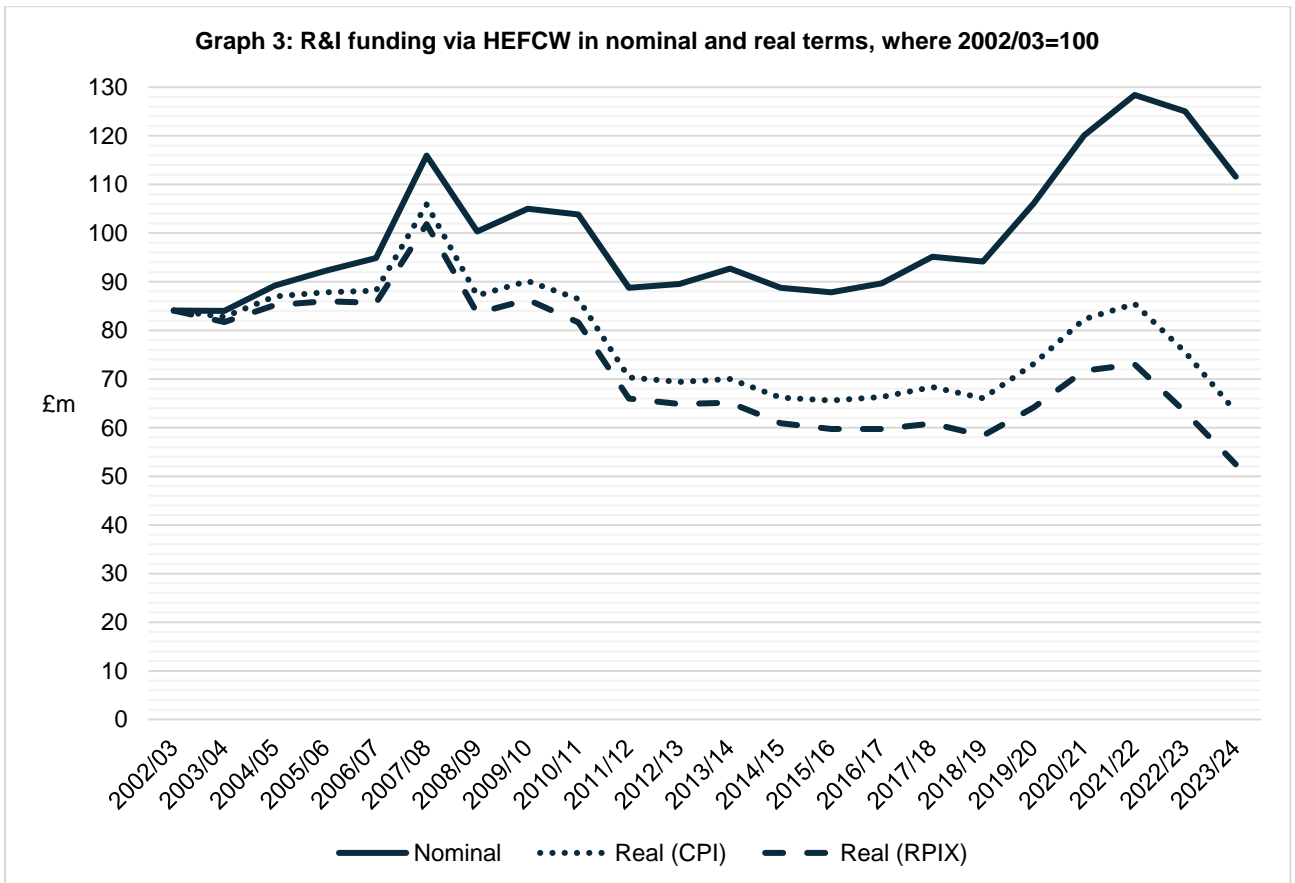
- 1.4 If UK students from outside Wales paid £9,250, it would generate an extra c. £10m per annum for Welsh universities. This would not be funded by Welsh Government.
- 1.5 Falling fee value has been alleviated via other income, primarily the uncapped fees of postgraduate and international students. International students are increasingly vital for sector finances. In the most recent data, they were 17% of the cohort in Wales but 26.6% of the fee income.^{12 13} *Unlike home students, international students generate a surplus.*
- 1.6 However, UK Government policies are hampering international activity. From 1 January 2024, UK Government will no longer grant visas for dependants of taught postgraduates.¹⁴ This is most likely to affect Nigeria and India which, in 2021/22, accounted for 43% of international taught postgraduates in Wales.¹⁵
- 1.7 UK Government has also increased visa costs and will be raising the Immigration Healthcare Surcharge to part-fund a public sector pay-rise. The healthcare surcharge has gone from £470 to £776 a year for students, an increase of £306 (65%).¹⁶ Applying for a study visa from outside the UK has risen from £363 to £490, an increase of £127 (35%).¹⁷
- 1.8 For international staff, the health surcharge has risen from £624 to at least £1,305 per annum, a substantial increase of £681 (109%). A range of their visa costs have also risen, including for dependants they may wish to bring as part of their move to the UK. Universities have typically paid these costs, and this increase will have a considerable effect.
- 1.9 To note, equality impact assessments for the changes also indicated there were likely to be negative effects across a range of protected characteristics. The visa costs were found to be likely to impact with regards to sex and disability.¹⁸ The healthcare change would impact negatively based on marriage/civil partnership, race, religion and sex (with mitigation only in place for marriage/civil partnerships).¹⁹

2. Recurrent grant

- 2.1 Raising the fee to allow for a surplus and/or immigration policy reforms are unlikely, so the grant to HEFCW (replaced by CTER from 2024/25) is increasingly important. Welsh Government gave an extra £17.2m to HEFCW for ring-fenced priorities in 2023/24.²⁰ Such funding allows investments that are harder to make whilst fee value is falling.
- 2.2 There is a need to address higher cost subjects for full-time undergraduates, for which universities receive premia. The higher cost subjects are non-clinical medicine and dentistry; science, engineering and technology; and mathematical sciences, IT and computing. These are national priorities, vital to the future success of NHS Wales, our economic productivity and the just transition to net zero.
- 2.3 It is one of four premia and, without an overall increase in the higher education budget, funding the premia properly will be difficult without cuts to other pots of funding.



2.4 The research and innovation (R&I) budget has greater salience since the loss of EU structural funds, which could cost 1,000 jobs across Welsh universities.²¹ In real terms, the devolved R&I budget, combining both revenue and capital, is smaller than 20 years ago.



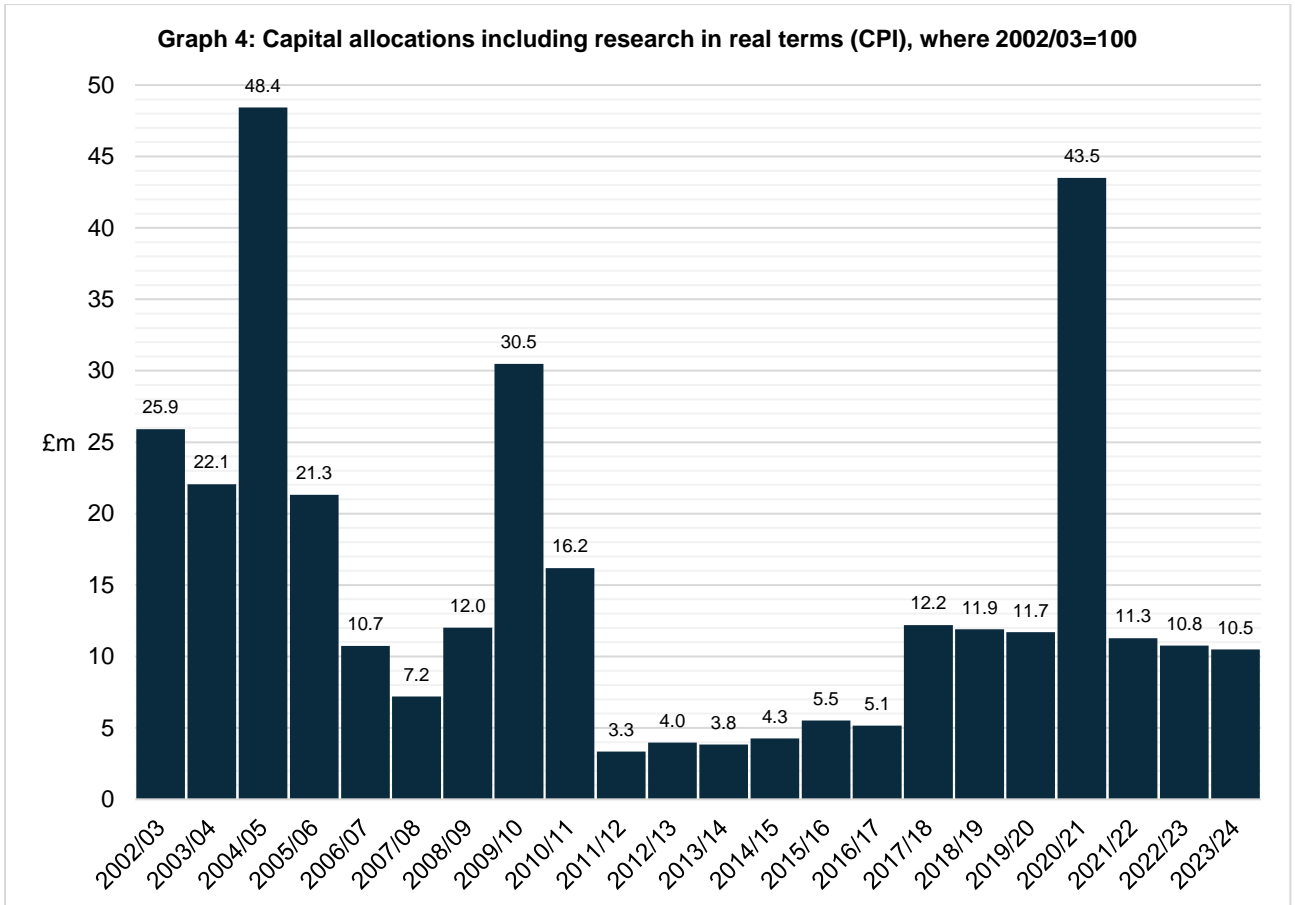
- 2.5 A priority for 2024/25 should be innovation funding. Wales has lost access to EU structural funds, which had a focus on innovation and translating research into societal benefits. Replacing the funds in full is well beyond the scope of devolved budgets, so Wales needs to transition to competitive UK sources and shore up its own innovation funding streams.
- 2.6 The only devolved funding stream with a somewhat similar purpose to structural funds is the Research Wales Innovation Fund (RWIF), created after Professor Graeme Reid’s review of government-funded R&I.²² Since RWIF arrived in 2019/20, Cardiff Met has increased R&I income from non-HEFCW sources by 54%.
- 2.6 Reid advocated an innovation fund of £25m per year, but RWIF is still £15m.²³ Moreover, the Welsh Government innovation strategy delivery plan states that CTER will expand innovation funding to further education.²⁴ This would result in a £15m fund, short of its £25m target, being spread more thinly. **Getting RWIF to £25m should be a priority for the 2024/25 budget, with future increases to allow for a greater number of eligible organisations.**
- 2.7 In all, the unfulfilled Reid recommendations are substantial. The following table uses HEFCW figures for QR, postgraduate research, RWIF and the Learned Society of Wales. The figure for Welsh Government innovation is the sum of the revenue and capital lines for “innovation” in the 2023/24 budget.²⁵ ²⁶ The Sêr Cymru figure is from a Welsh Government statement (it is not a distinct line in the budget).²⁷

Table 2: Difference between 2023/24 allocations and Reid review recommendations

Funding stream	2023/24 (£)	Reid (£)	Difference (£)
Quality-related research	81,677,343	71,000,000	10,677,343
Postgraduate research	6,236,883	3,750,000	2,486,883
Research Wales Innovation Fund	15,000,000	25,000,000	-10,000,000
Learned Society of Wales	275,000	1,000,000	-725,000
Sêr Cymru	5,000,000	6,000,000	-1,000,000
Future of Wales Fund	0	30,000,000	-30,000,000
Welsh Government innovation	5,519,000	10,000,000	-4,481,000
Innovation hubs	0	10,000,000	-10,000,000
Innovation competitions	0	15,000,000	-15,000,000
Total	113,708,226	171,750,000	-£58,041,774

3. Capital

- 3.1 As above, capital investment is hampered by the shrinking ability to generate surpluses. The Bank of England base rate stands at 5.25%, making it harder to invest via private debt.²⁸
- 3.2 The primary capital funding grant has been based on student numbers and is required to support Welsh Government priorities like net zero.²⁹ The funding is £10m a year, boosted during COVID-19 with an extra £44m.³⁰
- 3.3 A separate stream exists for research capital; half of which is from UK Government in proportion to Research Council income, with Welsh Government funding the other half in proportion to QR and other research income. The research capital fund is £8.5m in 2023/24.³¹



- 3.4 Total capital funding, both teaching and research, was raised after a tighter period from 2011/12 to 2016/17. The current picture is a clear improvement on the earlier 2010s, albeit generally lower than the 2000s. The 2024/25 indicative budget did not include any capital allocation for higher education, with the £10m recurrent fund potentially ending.³²
- 3.5 Welsh Government has the mutual investment model, a public-private partnership to finance capital projects, but is not available to higher education institutions.^{33 34} From 2012/13 to 2014/15, Welsh universities bid to the education department for capital funding.³⁵
- 3.6 In recent years, capital funding has helped Cardiff Met to invest in a range of initiatives of real benefit to Wales and our student population. The Allied Clinical Health Hubs will transform learning and teaching facilities and improved programme delivery of our allied health education contracts e.g., healthcare and podiatry.
- 3.7 Cardiff Met has also invested in the student experience with new learning infrastructure and social spaces, as well as specialist facilities for new courses in architecture and policing. Capital funding has also improved agile working for staff, decarbonisation of estates and the establishment of the Cardiff School of Technologies. **Capital funding for higher education should be reinstated (ideally past £10m) rather than disappearing altogether.**

¹ Kelly, U. and McNicoll, I. 2021. *The economic impact of higher education in Wales*. Cardiff: Universities Wales.
² Kirk, C. 2023. *What does the Journey to a Million mean for international admissions?*. Cheltenham: UCAS.
³ Hewitt, R. 2020. *Demand for Higher Education to 2035*. Oxford: Higher Education Policy Institute.
⁴ Universities UK. 2023. *Jobs of the future*. London: Universities UK.
⁵ Welsh Government. 2023. *Final Budget 2023 to 2024*. Cardiff: Welsh Government.
⁶ Shearing, H. 2023. *Fall in students accepted into university in UK*. London: BBC.

-
- ⁷ UCAS. 2023. [All-Party Parliamentary Group for Students – Cost of Living inquiry: UCAS submission](#). Cheltenham: UCAS.
- ⁸ Miles, J. 2023. [Written Statement: Student support for higher education students in the 2023/24 academic year](#). Cardiff: Welsh Government.
- ⁹ Freeman, J. 2023. [How to beat a cost-of-living crisis: Universities' support for students](#). Oxford: Higher Education Policy Institute.
- ¹⁰ ONS. 2023. [Inflation and price indices](#). Newport: ONS.
- ¹¹ OBR. 2023. [Inflation](#). London: OBR.
- ¹² Higher Education Statistics Agency. 2023. [Who's studying in HE?](#). Cheltenham: Higher Education Statistics Agency.
- ¹³ Higher Education Statistics Agency. 2023. [What is the income of HE providers?](#). Cheltenham: Higher Education Statistics Agency.
- ¹⁴ UK Government. 2023. [Changes to student visa route will reduce net migration](#). London: UK Government.
- ¹⁵ Higher Education Statistics Agency. 2023. [Where do HE students come from?](#). Cheltenham: Higher Education Statistics Agency.
- ¹⁶ UK Government. 2023. [NHS staff receive pay rise](#). London: UK Government.
- ¹⁷ UK Government. 2023. [Visa fees transparency data](#). London: UK Government.
- ¹⁸ UK Government. 2023. [Immigration and nationality fees: equality impact assessment](#). London: UK Government.
- ¹⁹ UK Government. 2023. [Immigration Health Surcharge \(IHS\): equality impact assessment 2023](#). London: UK Government.
- ²⁰ Miles, J. 2023. [HEFCW Remit Letter 2023-24](#). Cardiff: Welsh Government.
- ²¹ Universities Wales. 2023. [Universities sound the alarm for research, innovation and skills in Wales](#). Cardiff: Universities Wales.
- ²² Reid, G. 2018. [Review of Government Funded Research and Innovation in Wales](#). Cardiff: Welsh Government.
- ²³ HEFCW. 2023. [HEFCW's Funding Allocations for Academic Year 2023/24](#). Bedwas: HEFCW.
- ²⁴ Welsh Government. 2023. [Innovation strategy for Wales: delivery plan](#). Cardiff: Welsh Government.
- ²⁵ HEFCW. 2023. [HEFCW's Funding Allocations for Academic Year 2023/24](#). Caerphilly: HEFCW.
- ²⁶ Welsh Government. [1st Supplementary Budget 2023 to 2024](#). Cardiff: Welsh Government.
- ²⁷ Welsh Government. 2023. [Sêr Cymru IV: Economy Minister announces £10 million to support scientific research in Wales](#). Cardiff: Welsh Government.
- ²⁸ Bank of England. 2023. [Interest rates and Bank Rate](#). London: Bank of England.
- ²⁹ HEFCW. 2023. [Capital Funding 2023-24](#). Bedwas: HEFCW.
- ³⁰ HEFCW. 2021. [Additional Capital Funding 2020-21](#). Bedwas: HEFCW.
- ³¹ HEFCW. 2023. [Higher Education Research Capital \(HERC\) Funding 2023-24](#). Bedwas: HEFCW.
- ³² HEFCW. 2023. [HEFCW's Funding Allocations for Academic Year 2023/24](#). Cardiff: Welsh Government.
- ³³ Welsh Government. 2022. [Mutual investment model for infrastructure investment](#). Cardiff: Welsh Government.
- ³⁴ Welsh Government. 2022. [Redacted Education Strategic Partnership Agreement](#). Cardiff: Welsh Government.
- ³⁵ HEFCW. 2012. [Welsh Government Department for Education and Skills Capital Funding](#). Bedwas: HEFCW.

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 41: Ymateb gan: Platfform (Saesneg yn unig) | Response from: Platfform (English Only)



30th November 2023

Finance Committee Committee: Welsh Government Draft Budget 2024-25

Introduction to our Response:

We have never submitted a response to a committee like this one, in over thirty years of delivering services in Wales for people experiencing mental health challenges, housing crisis or homelessness.

We write this feeling both hopeless and powerless in achieving the change we need to see for the future of both the public and third sectors in Wales.

It is clear to us that many Members across the Senedd, will be feeling the same sense of anguish about the approaching budget. Nobody came into politics, certainly not in Wales, to watch our public services collapse. Our response will be painful to read, just as it is painful to write. It is even more painful to live the experience of it every day. We can't offer easy answers or solutions, they don't exist. Instead, we wanted to share the experiences of the people we support, our colleagues in Platform, and draw out the key areas of challenges for both our organisation and the wider third sector. We have also included case studies that break down what, for example, housing support work looks like, and to consider in more granular detail how tough this work has become in recent years.

This has also led us to make recommendations that are wider and broader than just calling for funding – although funding challenges are the most significant focus for us in this response.

Every year, we know that organisations across Wales warn of the challenges in the public and third sector. It is often seen as part of the 'dance' of politics and budget-setting. In this submission we want to make it very clear: we are on the edge of complete and utter collapse. Our colleagues are at breaking point, our services struggle to meet the heightened needs of people we support, the whole system is increasingly unable to respond in any effective way. This is not a short-term storm that

FORM

Continued

we can weather. This storm has been brewing for many years. These are long-term, structural challenges that require a fundamental step-change.

We cannot soften our words this year. This is not to provoke shame or fear in our elected representatives in the Senedd. It is to bear witness as truthfully and honestly as is possible, to the suffering that we are seeing. When things feel hopeless, and when we have no power to affect change at all, the thing we can do is honour our experiences and give voice to our pain.

It is painful and we know Senedd members and officials will feel that too. There are good people at every level of the system in Wales, and as overwhelmed as they are feeling, they still get up every morning, show up and try their best. But this takes a toll, and we are feeling it. And it is not just us we have lost count of the conversations we have had this year with other organisations who are in the same state of despair as we are.

Our central concern for this response is also considering how do we work together to plan for how to over the longer-term, *recover*.

This is where we must find our hope. Across Wales, following the decisions made for the approaching budget, we must find a way to come back from the dark place we find ourselves, and build something that will transform the future of our public and third sectors. Only with a step change in approach will we move forward from the current catastrophe. This is why we have included longer-term recommendations, alongside the shorter-term. The shorter-term recommendations are what we need to survive, and longer-term to help us thrive.

About Platfform

Platfform was born in 2019 from Gofal, a mental health charity established in Wales in the late 1980s. Through decades of working across housing and mental health, we gained real insight into the reality of mental health in society, the impact of trauma, and the causes of distress. That work led us to change our focus and become Platfform, the charity for mental health and social change.

Today we work with over 9,000 people a year. We support people of all ages, across urban and rural communities, in people's homes and

Continued

alongside other services. Our work spans inpatient settings, crisis services, community wellbeing, supported housing and homelessness, businesses, employment, counselling, schools and youth centres.

Summary of Recommendations

Shorter-term recommendations

Recommendation 1: We need to see an urgent uplift in the Housing Support Grant to bring us in line with inflationary increases

We have been saying for years that the pressure is increasing. This year we do not know how we can continue as we are. Our colleagues are struggling on low wages and with the pressure of working with too little resource, with seeing increased deaths and serious incidents, and we are finding it more and more difficult to provide the preventative support we know our HSG services are in the prime place to deliver (research demonstrating that for every £1 invested, a **net saving** of £1.40 is delivered by the HSG)¹.

Recommendation 2: We need to see work undertaken to establish an equivalent to the nursing safe staffing level, for supported accommodation.

Recommendation 3: The role housing and homelessness support plays must be recognised as a core provision, as other public sector services are – almost every other professional within public and third sector services is recognised, and has their work and roles understood, but housing support is not widely understood. Yet as can be seen from the evidence and stories submitted today, and in the report *Evidencing the Impact of The Housing Support Grant in Wales* (2020), they play a vital role in supporting society to thrive.

Recommendation 4: We need to see a minimum commissioned

¹ Fury, Lynn Montes and Taylor, 2020 ([Evidencing-the-Impact-of-HSG-ENG.pdf](https://cymorthcymru.org.uk/Evidencing-the-Impact-of-HSG-ENG.pdf) (cymorthcymru.org.uk))

Continued

salary level for local authority, health board and other services. Ideally, this would be set at the Real Living Wage (RLW), rather than the National Living Wage (NLW).

Longer-term recommendations

Recommendation 5: We need to shift our public services towards a social determinant led approach to mental health and distress, and one way of doing this is by ensuring the Trauma Informed Wales Framework is embedded into the budget-setting process, and we would recommend working with ACE Hub / Traumatic Stress Wales to develop a trauma-informed budget-setting / public finance tool.

Currently, the conditions created by scarcity do not enable services to offer the human, connected services needed to help people recover from crisis and distress. This is creating a huge human cost, but also generating a permanent, ever-increasing financial cost within the Welsh public sector. Research² into the determinants of health demonstrate that health **care** (that is, the healthcare system) is not the only determinant. In fact, three key pieces of research put the contribution of the healthcare system as low as 10%, and only ever as high as 43%. This means that the majority of the work needing to prevent poor physical or mental health, will need to take place *outside* the traditional health systems.

We need to challenge out-dated approaches to cost-saving exercises such as aiming for economies of scale through increased centralisation of services; command-and-control commissioning such as hours-based commissioning; and resorting to lean models derived from manufacturing rather than complex systems, to name just three. Both our traditional understanding of mental health and distress, and our public service cost-saving approaches, are driving the system into further crisis.

Recommendation 6: We need to ensure the third sector is

² The Kings Fund, 2013 ([Broader determinants of health | The King's Fund \(kingsfund.org.uk\)](https://www.kingsfund.org.uk))

Continued

recognised for its preventative work in communities, and that the learning generated in meeting need early, and saving costs, is gathered and understood by Welsh Government officials and Ministers.

The third sector is able to operate flexibly, and in a place-based way, and can generate trust in a way that more traditional services can struggle with. We are generally organised around people rather than problems.

Work the third sector undertakes generates learning every day, particularly with services that aim to prevent, or intervene early. By working in the gaps between - or spaces before - statutory service involvement, there is invaluable learning generated. As one specific example of this, Platform hears the many challenges faced by people in crisis, one of which is finding it cost-prohibitive travelling to appointments in more central locations, meaning that they cancel or miss appointments with the NHS. This is seen by the NHS in the high cost of missed appointments, but the cost-pressures continue to drive centralisation of services rather than devolved place-based services.

Recommendation 7: We need to see a greater focus on community embedded place-based services, with the third sector holding a pivotal coordinating role, working on addressing the social determinants of physical and mental health, to achieve the ambitious aims of the Wellbeing of Future Generations (Wales) Act.

Recommendation 8: We need to see urgent work by Welsh Government to begin the devolution of welfare and criminal justice systems, which are preventing Wales from taking action to address embedded systemic failure.

Reality of delivering third sector services Existing in crisis, overwhelm and hopelessness

The third sector has always occupied a space in between and side-by-side with statutory or public sector organisations. This has created a helpful flexibility, responsiveness, and creativity in the system. This is not

Continued

unique to the third sector, colleagues across Wales work with these same values – but for years the conditions created by the third sector have been able to foster those approaches to problems. Over the last ten years however, this has been stretched further and further.

This constant stretching has reached what feels to us, as the point where it finally snaps. The strain and pressure of keeping organisations solvent, whilst attempting to deliver services that offer positive solutions, is more constant and intense than at any point in our history. All funding sources are squeezed, and increasingly funders, and commissioners, are responding to financial pressure by requiring ever more restrictive documentation, evidence of spend, which is further adding to the sense of overwhelm within the third sector. We say this without blame: the pressure on all parts of the sector is immense, and it is driving people to act in silos, to meet their own pressures and challenges, without looking at the whole system. These are not the conditions for co-productive, integrative or whole system working.

Running on reserves, subsidising services, pulling out of contracts

The recent report³ by Cymorth Cymru demonstrates, within the housing sector, the pressures that are felt by third sector providers across Wales. Not only is complexity of situations increasing (94% of third sector housing organisations confirm this), but demand is increasing (81%). There has been an 11% increase in the cost of delivering services, and 75% of providers are running services at a deficit, with 52% using reserves to prop up those services.

In order to respond to this, 45% of providers have not bid for new or re-tendered contracts, and 27% have reduced their service capacity, and there has been an average reduction of 8% across the sector in support hours. The pressures are also preventing providers from delivering against the trauma-informed, relational ambitions of the Welsh Government, with 50% of providers saying they had cut back on ‘non-essential’ services such as work with marginalised groups, clinical supervision, and more. We need to stress that this is not truly ‘non-

³Cymorth Cymru, 2023 ([HM-report-WG-Budget-24-25-ENG.pdf](https://www.cymorthcymru.org.uk/HM-report-WG-Budget-24-25-ENG.pdf) ([cymorthcymru.org.uk](https://www.cymorthcymru.org.uk)))

Continued

essential', but it is often the only flexibility left in any budgets. By cutting these, it is impossible to provide truly effective and impactful support for people in crisis or distress.

We suggest the following action:

Recommendation 1: We need to see an urgent uplift in the Housing Support Grant to bring us in line with inflationary increases.

Experiences of the workforce

The role of a support worker

The existence of the homelessness and support sector is, of course, a sign of continued system failure. Homelessness is solvable. We know that in times of crisis such as with the recent Covid response, street homelessness was tackled by the Welsh Government with coordinated purpose and additional funding. The fact that it has risen, and continues to rise, is a sign that the system is not working. There are many reasons for this, such as lack of appropriate housing, the level of the LHA, welfare levels, cost-of-living increases and much more. Homelessness also can act like a grenade thrown into a person's life – the system itself can cause harm, exacerbate trauma and leave people worse than when they became homeless. This is not limited to people sleeping rough, although that is where the most extreme impact is seen. It is in this space, where they work with people in high levels of distress, where the impact of support workers is felt most keenly.

At Platform, our support workers are our greatest asset. They work above and beyond. That phrase does not capture the reality of what they do, and so we wanted to make it clear what that means.

A typical working day for a support worker depends on whether they work as part of a floating support or tenancy team, or whether they work within supported accommodation. Both roles are challenging emotionally, and they require people with high levels of empathy, courage, and just sheer grit. We are awed, constantly, by the people we work with. These are not

Continued

the only roles we have in Platform, but they are a helpful way to demonstrate the work that takes place across Wales, often on the margins of our society, and without much public notice.

Case Study One: A day in the life of a tenancy support / floating support worker

I start work at 9am, but I normally turn my work phone on at 8am. I always have voicemails waiting for me. Last Wednesday, I had a voicemail from someone in a mental health crisis, and I was able to contact them around 9am and arrange a visit with them that day. I had to reorganise other visits that day, as they were a priority, and I was worried that might cause a challenge for other people I support.

This person has a diagnosis of schizophrenia, and they were having paranoid and suicidal thoughts. When I met with them, I knew they needed urgent support, so I contacted the local mental health team. They weren't that helpful, and so I phoned the GP, who sent me back to the mental health team. They sent me back to the GP, who sent me back to the mental health team.

This person was in real distress, and so I spent three hours with them in their house, making sure they were safe, checking what measures they had in place, but I still didn't think they were safe, and so I reached out to emergency services. They were taken to a place of safety, and I was able to return to the office.

By then, I had three text messages and four missed calls from another person I was supporting. When I phoned them back, they were at the end of their tether. They had tried to get a food parcel, but they had reached their maximum number from the food bank. I tried to reason with the food bank, but they couldn't make an exception, as this person had already reached the limit. This person needed food urgently, so I found a small amount of crisis funding, and used that to buy them food.

Two staff members were off sick on that day, so I was covering bits of their work, addressing messages coming through as well.

Towards the end of the day, I had a joint visit with a crisis worker to visit a young refugee with settled status, who had been in Wales for a few years. They had the bailiff at the door, they were being evicted. The Council wanted to move them into temporary accommodation, but it wasn't appropriate. The Council agreed, but they also said they had absolutely no alternative, they had no housing available. It wasn't a good place for this person because of the crime and substance use. This person was concerned that without the stability and safety of a home, their suicidal thoughts might return.

Continued

This was at the end of the day, and it broke me. They had come to this country for safety and an escape from what they had experienced. They were a young person, and the only thing I could do was buy them a tent and a sleeping bag. They were on their knees begging for help, and all I could do was give them a tent and watch as they went up into the mountains.

I had to walk away, feeling heartbroken and ashamed. I do this job because I want to make a difference, and I went to my manager and questioned why, and if this was the right job for me anymore. I do this job because I love what it stands for, but I've also got challenges at home, and it was just too much on top. These sorts of days used to be rare, but they're happening every week now and I don't see how anyone can stay in this job much longer unless things change.

Case Study Two: A day in the life of a supported accommodation manager

At 7:50, I arrived at the project, expecting bad news. I had a missed call at 5am, but it was off at the time, so I knew I would be arriving to something bad. When I arrived I saw that there was blood everywhere. I had to let myself into their accommodation, as I was worried for their safety. When I got into the room, the person told me they had been hit over the head by their partner, with an object. I had to make sure they were ok and needed to persuade them to letting us take them to hospital.

At the same time, my phone was ringing as someone in another project was experiencing psychosis and having suicidal thoughts. The staff there needed to contact the crisis team but wanted my advice. I had to juggle then, where I prioritise. Do I sit with this person in distress? Or do I provide support to someone in another project?

This was the start of the shift, between 8:00 and 9:00am.

I went to help the person experiencing suicidal thoughts, make it to hospital. After that, I came back to the first project, with the person who had been assaulted. I needed to approach this situation with a housing management perspective – the perpetrator of the assault was their partner, who is a resident with us in different accommodation. So, we had to take action, and we had to work to explain this to the person who had been assaulted, in a way that didn't damage the trust we had built up over the years. This was hard for them, and for us, because we know that the perpetrator has their own mental health problems and hadn't acted out of bad intent, but because of the psychosis they were experiencing.

Once the police were involved, things were out of our hands, and as the perpetrator had violated bail conditions, it meant they couldn't return to their accommodation, effectively making them homeless.

Continued

This was now around 12:00 – 1:00pm.

The person who had been assaulted was still in a bad way, and so the police wanted them to go to a major A&E unit – but this person doesn't trust very easily, and so I went with them. Whilst I was at A&E, I was still getting calls to help my colleagues managing this situation, but also other people from other projects needing support and advice from me as a manager. After this sort of incident, it takes people a couple of days to settle down after this has happened, and it leaves its mark on people both staff and people we support.

My working shift was meant to be 8am till 8pm. I finished at A&E just after midnight, and I was in work the next morning too.

This day was just the tip of the iceberg. This was on the top of a hard week with other safeguarding issues. When I saw the missed call, I was worried they were dead. That's the reality of support work. Waiting for the worst. We are always at this heightened stage. Our team can never feel fully regulated, always waiting for something awful to happen.

I feel this all the time. I just feel like we're heightened. We've had someone jump from a window. We see serious self-harm needing medical attention on a weekly basis. Sometimes I feel a lot of guilt because we're losing people to suicide, and we feel responsible for people who aren't even in our services yet.

That same week, we also had an experience that still haunts me. We assessed someone, who had been handed an eviction notice. They would have been perfect for our supported accommodation; with the support we could give. But we didn't have any spaces. We had no properties available. They would have done really well in our service. They sadly ended their own life that week, and it could have been prevented.

The guilt is massive. Are we making a difference, is this benefiting anyone?

The system is breaking. We're having more and more added to our contracts all the time, more expectations from commissioners. We do have good days. We've signed someone and their four kids into a flat, before Christmas. That made my week bearable. But the whole system is a constant stretch. We don't have any more resources; we are expected to do more and more support with no more funding.

I'm also thinking constantly about my team. Most of them can't afford the extra travel costs between projects or visits to people, and they can't afford to wait even a week for the expenses to be paid. It is impacting on our support. I've had to fit in financial support sessions with my team, to help them pay their bills, and the only option I can offer is additional shifts. They can't afford to live, otherwise.

I wonder a lot, why people are still here. People are still here because we can feel like a family, I'm not here for the pay! We do good things, we've got amazing successes, these

Continued

keep us going – but at the moment it just isn't enough to keep us going. We're all here for the people we support, and their successes, but it's too hard right now.

As the case studies above demonstrates, the work that support workers do every day is critical, and highly valuable in providing capacity for early intervention and prevention within the system. However, increasingly, the staffing levels due to recruitment pressures are a challenge.

We suggest the following actions:

Recommendation 2: We need to see work undertaken to establish an equivalent to the nursing safe staffing level, for supported accommodation.

Recommendation 3: The role housing and homelessness support plays must be recognised as a core provision, as other public sector services are.

The impact on support workers

As can be seen above, from the two examples of a day in support, shared by Platform colleagues, the impact on the workforce is huge and almost entirely negative. This has also been a longer-term trend since funding pressures and austerity began to hit. These two trends can be summarised as: struggling to survive and struggling to thrive.

Struggling to survive:

Many of our colleagues across Platform are, like many across the social care and housing support sectors, paid at the Real Living Wage (RLW). We made this commitment within Platform, as we believe in investing in our workforce. However, even the Real Living Wage has proven a struggle for our workforce. We hear examples from our teams every day that there is a perfect storm of increasing cost pressures facing working people, and that the stress of this is having a detrimental effect on their well-being. Some have said they are struggling to afford heating, are skipping meals and are otherwise making tough choices that have a huge toll on their mental health.

Continued

In combination with the reality of working in a system that is overwhelmed, distressed, and working with people in high levels of need, it creates a vicious cycle that we are desperately trying to address as an organisation. But without uplifts from local authorities, we are haemorrhaging staff, and seeing high levels of sickness and absence.

Struggling to thrive:

Increasingly, there is a sense that even if the cost-of-living impact can be weathered by colleagues, the third sector cannot offer the job security, the satisfaction or progression that people rightly seek (and deserve) in their employment. The third sector has survived largely because of the vocation that people feel working for good causes, and not because we can offer terms and conditions, pay increases or other options available to the private sector, and some parts of the public sector. Any terms and conditions that were competitive years ago have been squeezed or phased out to make ends meet.

One example of this challenge with progression can be seen with pay differentials for management. With every increase in both the National Living Wage, and the Real Living Wage, which has not always been matched by local authority uplifts, the gap between frontline management and frontline staff has been narrowing. With the latest increase in RLW, this gap is at its narrowest, and we and other charities are finding it harder to recruit to frontline management roles – people do not want to take on the higher levels of stress and anxiety, and sometimes risk, for a marginal increase in salary. This increasingly means that there is a lack of progression opportunities within the third sector, and what was once seen as a career where a positive difference can be made whilst still having a good quality of life, is now much less viable.

We suggest the following action:

Recommendation 4: We need to see a minimum commissioned salary level for local authority, health board and other services. Ideally, this would be set at the Real Living Wage (RLW), rather than the National Living Wage (NLW).

Continued

The conditions around support work

One of the consequences of continued budget pressures is the absence of conditions to enable or encourage relational and trauma-informed work. It creates silo working, entrenchment and toxic stress with people who make up the system, and leads to unhelpful, counter-productive approaches and decisions made from a position of overwhelm. This in turn, creates perverse incentives that lead to things being less relational, so we don't take the time to meet people's needs effectively, or we invest in the wrong approaches, or we waste time following outdated approaches to designing, commissioning, monitoring and delivering services.

We enjoy good collaborative relationships with our commissioners and appreciate the sheer scale of challenge they face. However, we have experienced their stress and overwhelm first hand, and we can see the impossible choices they are facing. We have experienced the negative side of this, with tension, attempts to force us into certain actions that are against our values, and attempts to use their power as commissioners to override operational decisions we have made in the best interests of the people we support.

We need a concerted effort by the Welsh Government to grasp the realities of commissioning for the third sector, which is very different to the commissioning or procurement of services in other areas. This needs to be a priority, and we would encourage that this takes the form of developing a trauma-informed commissioning model. A traumatised, stressed and overwhelmed system is not in the position to effectively design and commission services. A traumatised workforce is not in a position to effectively deliver services either. That is the reality we face currently.

We suggest the following action:

Recommendation 5: We need to shift our public services towards a social determinant led approach to mental health and distress, and one way of doing this is by ensuring the Trauma Informed Wales Framework is embedded into the budget-setting process,

Continued

and we would recommend working with ACE Hub / Traumatic Stress Wales to develop a trauma-informed budget-setting / public finance tool.

Structural failures in the system**Crisis forcing spend away from prevention**

We are deeply concerned about the growing move away from preventative spending, albeit through necessity. Whilst the short-term pressures on public finances dictate this, it is leaving Welsh Government spending ever more exposed. The growing pressure on public finances and on local authorities or health boards who administer much of our funding is leading to decisions being made that are far more damaging in the longer-term.

For example, one local authority last year removed funding for a service that was able to work with people at risk of crisis, which was helping contribute to the prevention of homelessness. Instead, they re-allocated that funding, as well as similar funding from other floating support providers to the commissioning of supported accommodation units. This was driven by the growing pressure to move people out of temporary accommodation. However, by taking the money from upstream prevention to invest in crisis support, it is only exacerbating the problem. Put crudely, the temporary accommodation will fill very quickly owing to the drastic pressures on the housing system – and in a short amount of time there will be further pressure within the temporary accommodation system. This is just one example of a continued vicious cycle within the system.

Another local authority has announced cuts this year to floating support, for a similar logic. We want to make clear that this is not an attack on local authorities. We can understand why these decisions are made, and they are often trapped between an impossible choice and an unpalatable one. We need the Welsh Government to understand that the funding pressures as they are, only serve to drive decisions that are economically detrimental, but also hugely damaging to public services.

This funding pressure is seen within the Housing Support Grant, and the worries by the housing and homelessness sector that this will be cut in the

Continued

draft budget. We want to stress to the committee that this funding stream is a totemic example of preventative spending. Homelessness costs the public purse a huge amount every year, with the costs of preventing homelessness only a fraction of that. To date, the Welsh Government has not committed to protecting this funding, let alone increasing it.

At a time when public finances are in such a parlous state, we need clear, honest leadership from the Welsh Government. That means prioritising prevention, openly, even if that means some difficult decisions elsewhere. We need the Welsh Government to commit to prioritising and increasing preventative funds across government.

The evidence for the effectiveness of the Housing Support Grant, and before that, the Supporting People Programme, is well-evidenced. Sometimes though, this idea of prevention can seem sanitised – we can reduce it down into digestible words which don't capture the reality of what prevention looks like. We can also fall foul of thinking of prevention as the same as early intervention. The two are linked, but by having prevention built into the system, it does still involve working with people in crisis, to prevent *greater harm* in the longer-term.

We spoke to one of the people we support, who shared this story. It demonstrates powerfully how having support services to hold people amid crisis can prevent much more expensive (human and financial) costs further down the line. The example we have chosen is not a happy one, either – this is not a prevention tale where it all has gone right, and we are clear as well that the pressures facing the sector are making it harder and harder to work preventatively *at all levels*. In the example we share, the pressures stopped us being as preventative as we would want to be – but we were able to get there before the situation deteriorated beyond hope of repair. We stress that this is not always the case. Sometimes despite our best efforts, we cannot get there fast enough, or with enough intensity of support.

Case Study 3: Supporting people and connecting them in times of crisis

A person we supported was in distress. They were reliving past violent

Continued

trauma. This mean they were saying they were going to 'kill themselves', were making threats of harm to others and were in the possession of a sharp object. They went to speak to staff as per their care plan, but due to staffing shortages the only person they could find was agency staff, and they didn't have a long-standing or trusted relationship with them.

This would have been an opportunity for prevention. If the Housing Support Grant can be increased, for example, so we were not losing staff to other better paid jobs in retail and if there were minimum staffing levels set for supported accommodation, we would have had colleagues present with established relationships, and the situation would have been resolved at this point, without any further involvement from other services.

This caused the person more distress and they began to self-harm, which they have not done for many years, as a way of trying to relieve some of the distress. They were not known to harm others. Not knowing this the agency staff contacted 111 for help and was informed an ambulance was coming to help. They told the person and they thought they would be going to the mental health ward for support. Instead, when the person opened the door, they found armed response officers pointing tasers at them, which worsened their distress.

This would have been a second chance for prevention. If we had the flexibility and space within our contracts and were funded to build better links with the police, and 111, we could build relationships so that armed response officers are not sent as default to reports of violence which are about harm to self and not harm to others. This response escalated the situation from distress into crisis.

They were taken to a hospital, receiving treatment for self-harm on a physical basis, but they were not given mental health support. As an organisation, we then took them to their GP, who referred them to CMHT, from where they were referred to a home treatment team. This person made it clear that they needed a hospital environment, and the support offered at the ward, to feel safe, and to have the space to regulate.

Continued

This is where, despite the challenges we are facing, we were able to bring regular, trusted staff into the situation, and we were able to show this person they had our full support. However, because our colleagues are not always recognised as experts, despite their years of experience, they were not able to support this person to get the service they needed in that instant, and with multiple unnecessary referrals there was a significant level of waste created. Despite this, we were able to hold this person in the peak of their distress and give them hope.

We supported this person in phoning their home treatment team, who said they would respond the following day. However, we were told by this person that it was too late, and they shared their fear they would act on their suicidal thoughts. We took action immediately, putting welfare checks in place, and established ways for this person to stay safe.

This is the point at which support services are able to deliver highly effective preventative support, but it is still very much led by crisis situations. In this situation we instituted regular checks which meant that if the situation escalated, we could take action alongside emergency services, and prevent serious injury or death.

Despite our support, this person was able to get themselves into a position where their life was at risk, but because of the welfare checks we had set up, we were able to act quickly. When this person phone 999 for help, we were also in the background contacting social services, and advocating strongly on their behalf. As a result, we were able to coordinate with the police, and with mental health services, and the person was voluntarily admitted to a ward where they felt safe. By advocating for this person, we maintained their trust in us, and their stay in the ward was much shorter, they have returned to us very quickly, and are being supported. This person wanted us to share their story with the committee.

The value of the support we can offer is clear – by holding relationships in crisis, by generating trust so people can disclose their fear and distress, and by being connected on the ground to a variety of services, we can act very quickly and effectively to

Continued

intervene and prevent greater harm, and reduce waste in the NHS, police and other systems. However, it is becoming clearer to us that the prevention work we are able to deliver is slipping further and further into the crisis space, rather than early intervention. This story makes it clear to us both the value of support in terms of prevention of costs in the system, but also how weakened our ability to offer this has become.

Increasingly, people are falling through the cracks, and HSG-funded services are more and more overwhelmed. This is adding significant pressure on NHS and other public services. It is adding to their demand and overwhelm unnecessarily. If we are to reduce the pressure on NHS, police and other services, including those funded by local authorities in Wales, we need to prioritise the work done by housing and homelessness support workers.

We suggest the following actions:

Recommendation 6: We need to ensure the third sector is recognised for its preventative work in communities, and that the learning generated in meeting need early, and saving costs, is gathered and understood by Welsh Government officials and Ministers.

Recommendation 7: We need to see a greater focus on community-embedded, place-based services, with the third sector holding a pivotal coordinating role, working on addressing the social determinants of physical and mental health, to achieve the ambitious aims of the Wellbeing of Future Generations (Wales) Act.

Recommendation 8: We need to see urgent work by Welsh Government to begin the devolution of welfare and criminal justice systems, which are preventing Wales from taking action to address embedded systemic failure.

Continued

Conclusion

For this budget, we want the committee to understand how different this feels. We know that funds are stretched. We have compassion for all involved in these difficult and challenging decisions. At the same time it is important we bear witness to the pain of the people we support, and our colleagues that provide that support.

This budget will, more than many others, risk breaking many organisations across the third sector. It will, without an increase in funding, put added pressure on already strained and collapsing statutory services. The choices available to the Welsh Government in the budget are limited, but as a committee, we hope that you will see the important impact the third sector has. In particular, we hope attention is focused on work funded by the Housing Support Grant and similar preventative funding plays in reducing the load on our public services.

The answers in how to meet this challenge are in taking a step change in approach. Only by making the significant changes we have recommended will we be able to limit the harm the budget cuts will cause. That is where we will find our hope in Wales, together.

Submitted by Oliver Townsend
Head of Connections and Change

████████████████████

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 42: Ymateb gan: **Confederasiwn GIG Cymru (Saesneg yn unig) |**
Response from: Welsh NHS Confederation (English Only)





	The Welsh NHS Confederation response to the Finance Committee scrutiny of the Welsh Government's 2024-2025 Draft Budget proposals.
Contact	Nesta Lloyd-Jones (Assistant Director): [REDACTED]
Date	1 December 2023

Introduction

1. The Welsh NHS Confederation welcomes the opportunity to respond to the Finance Committee's scrutiny of the Welsh Government's Draft Budget 2024-25 proposals.
2. The Welsh NHS Confederation represents the seven Local Health Boards, three NHS Trusts (Velindre University NHS Trust, Welsh Ambulance Services NHS Trust and Public Health Wales NHS Trust), and two Special Health Authorities (Digital Health and Care Wales and Health Education and Improvement Wales). The twelve organisations make up our membership. We also host NHS Wales Employers.
3. NHS leaders recognise that public finances across the UK are extremely challenging. Similar to healthcare systems across the UK, and the world, the NHS in Wales has reached a perfect storm: the cost of providing healthcare continues to rise at the same time as demand on, and expectations of, the service continue to increase. The pandemic has led to a more complex picture for the health and care system. The NHS is experiencing very large increases in its day-to-day costs as a result of inflation, the elective care backlog, recruitment and retention of the health and care workforce, implementation of the pay award and the costs of providing continuing healthcare, increase in delayed pathways of care, increased demand and acuity of patients, increased spending on primary care and hospital prescriptions, alongside public expectations. However, we can recover from this perfect storm through the NHS working closely with partners from all sectors, including social care.
4. NHS leaders know they need to maximise the way they use the resources available, focusing on achieving the best outcomes for patients. Financial certainty has a big impact on the NHS's ability to plan and deliver quality services and the best outcomes for patient. The decisions made now by Welsh Government and NHS leaders will have a long-term impact on the health and wellbeing of the population. It is vital that all sectors work together to support the health and wellbeing of the population, to tackle inequalities and respond to the cost-of-living crisis to prevent further harm to the most vulnerable in our society. There needs to be an open and honest conversation with the public about what the future health and care service looks like to ensure future sustainability. It is vital that the whole public service ensure that any policy and spending decisions are planned to make the biggest impact on the lives of the communities they serve.

Key priorities for NHS leaders

5. As the membership body representing NHS leaders in Wales, we ask that the Welsh Government Budget for 2024-25 supports the following areas:
 - **Capital:** Develop a ten-year investment plan for service change to reshape NHS estates and infrastructure, including digital. This would make NHS estates more sustainable, boost productivity and support the NHS to get through its care backlog, reduce carbon emissions, maximise public assets, attract additional funding through research and development opportunities, regenerate the local economy and improve patient care outcomes.
 - **Revenue:** Provide funding to cover inflationary pressures, to address the backlog in elective care and the increase acuity of patients post pandemic and support the maintenance of NHS estates and infrastructure, including digital.
 - **Workforce:** Support the development of flexible and innovative workforce plans and increase investment in NHS workforce so we continue to see an increase in the number of students and trainees across a range of professional groups.
 - **Social care:** Provide local authorities with ring-fenced allocations for social care, to meet the needs of their population and to support system-wide sustainability. The variation in investment in social care across Wales, for example, needs to be addressed through a renewed collaboration between Welsh Government and local government. The funding allocated to social care needs to have clearly defined target outcomes imposed by Welsh Government to ensure that the total amount spent on social care drives the change we need to see.
 - **Prevention and early intervention:** Recognise that the NHS needs to focus more on addressing the drivers of demand on our health services by working on prevention and population health measures which will support the long-term sustainability of the service. The variation in underlying need for preventative activities should be taken into account in the allocation formula.
 - **Digital investment:** Invest in digital infrastructure and functionality and see the opportunities that digital can bring to the economy and the NHS. Building digital functionality across patient pathways that capture and enables data to inform decision making and tools that supports its delivery. Opportunities include enhanced self-care; connecting parts of our health, care and wider public sector to enable people to keep safe and healthy at home for longer; allowing organisations to work in partnership to support the highest risk citizens first and deploying scarce staffing resources in an efficient way.
 - **Inequalities:** The NHS often has to address the health impact of inequalities in addressing the social determinants of health. Support a cross-government approach that creates the conditions for everyone to enjoy the best possible health, publishing a delivery plan that outlines actions being taken across all government departments to tackle inequalities.
 - **NHS and the economy:** Recognise that health is an investment in growing the Welsh economy, both locally and nationally. [Analysis](#) we published in October 2022 shows that every £1 invested in the NHS, returns £4 in Gross Value Added (GVA) for the economy. We should stop seeing the NHS as a drain on public resources but instead as a key driver of economic activity and employment. 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.

- **Long-term planning:** We would encourage a long-term planning framework for financial recovery.
6. Finally, the response from NHS Wales organisations to the challenges of the pandemic demonstrate that the health and care system can respond quickly and effectively when working in partnership with other public sector bodies, the third sector and communities. NHS leaders will do whatever they can to get the best value and outcomes for patients and improve efficiencies. That is why innovation, embracing digital and thinking differently about how services are provided are vital.

What, in your opinion, has been the impact of the Welsh Government’s 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

7. The Welsh Government 2023-24 Budget recognised the need to stabilise the health system following the pandemic. It provided additional financial support to NHS organisations, especially health boards, as they continued to respond to system-wide challenges, including inflationary and post COVID cost pressures. However, the resources provided in the opening Welsh Government 2023-24 Budget were insufficient given the legacy COVID costs, the cost of recovery, including waiting time reduction, and exceptional inflationary pressures. The additional allocations notified in October 2023 have supported the in-year position but significant challenges remain, both in year and into 2024-25, and the delay between the original budget and the revised budget delayed collective action which could have improved the current financial position.
8. The NHS Wales Budget settlement for 2023-24 ceased a number of funding streams that the health boards had relied upon during the multi financial year pandemic period. This was based on the perception that the COVID driven cost pressures could be removed as the NHS became less exposed to COVID restricted operations. Consequently, the funding settlement caused health boards to lodge forecasted plans that projected a significant financial deficit that could not be accepted by Welsh Ministers. The Welsh Government mid-year financial review has helped re-provide support in a number of these areas which will allow the health boards to make best efforts towards a much reduced revised financial control total.
9. While the additional funding provided by the Welsh Government has been welcomed, like other public services across the UK, the NHS in Wales has been significantly impacted by a range of external drivers, leading to increased financial uncertainty and deficits. With a significant gap between the growth in healthcare demand and the inability to respond fully in the short to medium term, within certain fiscal constraints, all health boards are in deficit this financial year (2023-24) and are acutely aware of the financial difficulties for 2024-25.
10. Factors contributing to the increased deficits in 2022-23 and 2023-24 include:
 - **Underlying deficits from 2022-23:** All health boards’ deficits from 2022-23 were carried forward to 2023-24, acting as the starting point for 2023-24 finances. As highlighted in the [Audit Wales](#) report, the overall deficit for 2022-23 was £150m: *“Against a backdrop of significant pressure, the total in-year deficit for 2022-23 has increased to £150 million (£47 million in 2021-22) and the three-year cumulative*

over-spend across the NHS increased from £184 million in 2021-22 to £247 million in 2022-23". The underlying deficit is likely to again be carried forward into 2024-25.

- **Workforce:** A sustainable workforce is essential for a sustainable NHS. Workforce costs have increased in both the NHS and social care. Pay costs accounted for 45 per cent of health board revenue spend in 2022-23, around £5.4 billion. Workforce pay pressures have increased due to industrial action, high levels of vacancies and sickness, resulting in high variable pay expenditure and outsourcing of services from private providers, such as agency. The increase in agency nursing staff is largely down to pressures from delayed transfers of care. As highlighted by [Audit Wales](#), expenditure on agency staff has grown steadily over the last five years, with a further increase of 20 per cent in cash terms in 2022-23, putting overall agency spend at £325 million across NHS Wales. The majority of the spend is to cover workforce vacancies, with some supporting additional activity. In many health boards, this is the highest level they have ever seen.
- **Inflation:** There has been significant in-year variation driven by inflationary pressures, namely from energy price fluctuations but also for goods and services, including digital.
- **Social care:** Social care services play a crucial role in care pathways by keeping people well for longer outside of hospital and enabling faster, safer discharges home. There continues to be a significant number of patients, on average 1,500, waiting to be discharged from hospital due to capacity challenges in the social care sector, costing the NHS hundreds of millions of pounds every year. The average rate of a hospital bed is between £250 - £350 per night, therefore if there are 1,500 people medically fit for discharge in hospitals across Wales it costs an average £375,000 – £525,000 per night to the NHS in Wales. This is a significant driver of financial pressure. In addition, there has been increased expenditure on Continuing Health Care due to increases in local authority care home rates, the increase in the Real Living Wage and the Funded Nursing Care rate driven by the NHS pay award.
- **Medicines and prescriptions:** There has been increased spending on primary care and hospital prescriptions due to patient demand and the increased costs of drugs. After changes in clinical guidelines and increased activity following the pandemic, there has been an increase in oncology and scheduled care medicine. There has also been a higher-than-average increase in unscheduled care drugs expenditure as emergency departments continue to experience unprecedented demand.
- **Maintenance of outdated estates and infrastructure:** The cost of running NHS estates and infrastructure continues to increase. The NHS is faced with an ageing estate, including digital infrastructure, which was not designed for current demands and therefore fails to meet modern standards. Many hospitals in Wales were built in the 1960s or earlier, with [12 per cent](#) of the estate built pre-1948 and only 6 per cent post-2015. For many NHS organisations, there are significant ongoing costs to repair estates and undertake essential maintenance, with one health board estimating the maintenance costs in the region of £150m, and many must replace key expensive service items that are well past their effective working lives. In addition, in Wylhelmydd Hospital in Hywel Dda University Health Board and Nevill Hall Hospital in Aneurin Bevan University Health Board, remediation work is being undertaken following the discovery of RAAC. This is not only expensive but prevents NHS organisations from using the limited funds available to create new services. It is also key to invest in digital infrastructure, which is becoming increasingly important to mitigate cyber security risks.

- **COVID legacy:** It is clear the ongoing effects of the pandemic continue to have a significant impact on healthcare systems and the workforce. A number of costs continue to be unavoidable due to the different operating models that became embedded during COVID. This includes the ability to achieve the level of service delivery needed to eradicate clinical treatment delays, with rising demand on services, more patients presenting with higher acuity, and the ability to recruit and retain the workforce needed across health and care services. Alongside this, service changes made during COVID have been embedded in health board expenditure as well as the continuation of higher cleaning standards, PPE provision and testing.

How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

- **How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?**

11. Inflationary pressures will continue to impact adversely into 2024-25. Whilst NHS Wales organisations welcome the additional funding from the Welsh Government, increasing costs as a result of inflation are having a significant impact on NHS delivery against government priorities. All health boards have an underlying deficit position which will only be partly mitigated by the conditionally recurrent allocations announced in October 2023. Whilst NHS organisations are yet to receive planning guidance for 2024-25, the approach by the NHS to date is to assume continuity of the 2023-24 trajectories in relation to ministerial measures. The assessment is that on the basis of a repeat inflationary uplift and continued allocations as per 2022-23 it will give the NHS clarity on financial parameters for planning.
12. The NHS is able to make some forward planning assumptions into future years. Many of the cost saving initiatives delivered in 2023-24 have been of a non-recurrent nature and the bounce-back of this into positions will be certain. The slight ease in inflation is welcome albeit health inflation, heavily impacted by drugs inflation, is often subject to different pressures than general Retail Price Index (RPI) type drivers. World markets alongside drug innovation and new drug implementation contributes to volatility in the prescribing arena. This is an area that is very difficult to accurately project even on a 12-to-18-month timescale.
13. The tight financial settlements over a period of years necessitates the need for ever growing cost reduction programmes which will be increasingly challenging to deliver due to the scale required. This will require a fundamental rethink of the sustainability in some service areas in their present service model configurations. Where NHS organisations have concerns is that the achievement of financial requirements could drive short-term decision making, shelving efficiency investment such as digital and service reconfiguration, and in some cases false economies, such as curtailing overseas nurse recruitment. The severe constraints on capital will also hold up the delivery of cost-efficient service reconfigurations. However, it is the NHS priority to meet their control total and demonstrate a balanced budget over the next three years.
14. It will be challenging to focus attention on the transformation of services when capacity is largely focused on meeting the challenges brought about by the COVID-19 pandemic, particularly the impact on the NHS Wales workforce. Delivering against efficiency targets

will be a challenge for health boards. This makes the need for national conversation about individual responsibilities to improve lifestyles even more important. Taking pressure of frontline services should be a key tenet of improving population health across a range of factors but especially in the field of diet, exercise and appropriate consumption of alcohol.

15. Finally, while it is well documented that the NHS accounts for around 50 per cent of the Welsh Government's budget, there must be recognition of the significant [contribution](#) the NHS makes to local and national economies. The NHS directly employs over 100,000 people across Wales to quality and stable jobs. The NHS is also a purchaser of local goods and a commissioner of local services, which are used for social benefits, its buildings and spaces supporting communities.
16. Furthermore, the size, scale and reach of the NHS means it has significant influence over the health and wellbeing of local populations. It plays a vital role in improving wellbeing and addressing 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. The well-worn saying 'health is wealth' is evidenced by the record 2.5m people out of work due to ill health costing the UK economy an [estimated](#) £43 billion a year. Interventions designed to improve health, inclusive growth and wellbeing in Wales should be a shared priority in the interests of all local, regional and national partners, businesses and communities.

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

- How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

17. Supporting our population is critical. The additional ways the Welsh Government could help householders cope with inflation includes:
 - Take action to improve the level of take-up of grants, allowances and benefit support already available to households.
 - Maximise Discretionary Housing Payments.
 - Provide more help with Council Tax through the Council Tax Reduction Scheme.
 - Maximise take up of home energy efficiency schemes, such as Eco4 and LA Flex.
 - Fund integrated wellbeing and keep warm initiatives.
 - Urge utility companies to engage in more proactive promotion and awareness-raising campaigns for social tariffs and demonstrate improved take-up of these tariffs.
 - Convene partner organisations and engage in constructive challenge on progress being made on Cost of Living-related policies to accelerate co-ordinated action.
 - Fund and extend the reach of the 'Food and Fun' programme so that it prioritises low-income families.
 - Support and encourage local activity-based programmes for adults that provide help with costs and have health and wellbeing benefits.
 - Implement, at pace, the proposed warm homes programme.
 - Implement the recommendations of the [Wales Expert Group on the Cost of Living Crisis](#).
18. As in the Public Health Wales report, [Cost of living crisis: a public health lens](#), the cost-of-living crisis is having, and will continue to have, a significant and wide-ranging negative impact on people's mental and physical health. It is likely that those making the

difficult decision to eat or heat their homes will require the support of the NHS, and so preventative action is required to alleviate any potential demand and to ensure inequalities are not exacerbated. To build on the report, Public Health Wales ran an all-Wales cost of living [summit](#) in March 2023, convening stakeholders from different sectors to discuss the key challenges, risks, enablers and solutions in the short, medium and long-term .

19. Key areas discussed in the summit included food, energy and housing; mental health; income and debt; and health and care. The post-summit report proposed the following next steps:
- In the short term, make support more easily accessible and better inform service delivery at the local/regional level. More supportive funding, such as funding with greater security and time length, and a national vision and framework.
 - In the medium term, involve communities in service planning and design, and improve partnership working and coordination at the local/regional level. At the national level, improve the offer of national prevention programmes, such as screening, and improve provision and use of data and evidence.
 - In the long term, adopt the Future Generations Ways of Working (prevention, integration, collaboration, involvement, long term) into working at the local/ regional level as well as a greater focus on health equity, and 'Health in All Policies'. At the national level, strategies and policies to build a healthier Wales (such as social security consolidation and building sustainable, healthy food systems) and a more equal Wales were proposed.
20. The NHS alone does not have the levers to help people cope with pressures from the rising cost of living, to reduce the impact on their health and on inequalities. We therefore must shift the focus from public health initiatives delivered through the NHS and local authorities to addressing factors that cause ill-health in the first place, such as education, poor housing, transport and food quality. As highlighted in the Welsh NHS Confederation Health and Wellbeing Alliance report, '[Mind the gap: what's stopping change?](#)', addressing the factors that cause ill-health in the first place should be a central focus for the Welsh Government and a cross-government approach to inequalities is needed.

Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

21. Alleviating climate change must be a priority in supporting economic and social recovery. However, further investment, including capital funding, is required to support public bodies to reach the Net Zero target by 2030 set by Welsh Government in the [NHS Wales Decarbonisation Strategic Delivery Plan](#).
22. NHS organisations have a substantial impact on the environment and is a significant consumer of energy and water resources within Wales. 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; and travel, which requires fossil fuels and contributes to air pollution.
23. NHS Wales organisations are looking at establishing local supply chains using their buying powers, which will also help shorten the supply chain and reduce emissions. In

addition, making better use of digital technology across our services and communities, such as video consultations, will reduce the environmental impact of healthcare delivery.

24. NHS organisations have previously acknowledged the need for better support and clarity of the green agenda within NHS Wales to better align Welsh Government green strategies with the capital renewal of NHS Wales estate. Where there are timescale gaps to the required green technology being available to replace older technologies and carbon heavy energy solutions there needs to be better understanding of the interim investment solutions required as a bridge to the greener economy. There have been examples whereby one arm of Welsh Government might influence the rejection of funding for a traditional technology without there presently being a holistic green solution. This can contribute to business continuity risk and medium-term carbon inefficiencies as older technologies are eked out and patched up to maintain services. A better understanding of the options and support available would better align the health sector with Welsh Government strategy.
25. Furthermore, while the NHS is looking at a range of innovative ways to reach the Net Zero target, without sustained capital investment in estates, facilities and infrastructure it will be difficult to achieve. As highlighted above, NHS estates and infrastructure need to be brought up to modern standards and become more energy efficient, which is extremely challenging due to the current age profile of hospitals and other buildings across Wales, with only [14 per cent](#) of the estate built since 2015. While all options are being considered by NHS leaders to bring down energy inefficiencies, without sustained investment and new infrastructure the target is unlikely to be met.

The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

- **Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

26. We know that people working in the NHS are struggling with the rising cost of living and for many, they are now living in relative income poverty, as evidenced by the number of NHS staff accessing Food Bank vouchers in the workplace (not just the lowest pay banded staff) and the financial wellbeing services that all NHS organisations provide. NHS leaders do however know that due to the stigma of income poverty there will be a greater number of staff who will feel too embarrassed or ashamed to ask their employer or other agencies for help. These are clear indicators that not enough is being done to tackle the rising cost of living and supporting those people who are in employment, living in income poverty.

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

27. There continues to be gender inequality in the workplace as evidenced by NHS organisations Gender Pay Gap Reports for 2022-23 e.g. one health board report highlighted that in a workforce where 80.8% of their employees are female, they continue to earn less than their male counterparts.

28. There are many factors which contribute to gender pay inequality which require budgets to address them, for example unaffordable childcare provisions increases the necessity for women to work part-time or exit the labour market. Part-time working reduces the opportunities to undertake training and development to assist female staff to move into higher paid roles.
 29. The provision of skill and employment-related development opportunities need to be fully inclusive and accessible to all. Access to Welsh Government budgets can facilitate this activity, enabling employers to provide programmes and interventions explicitly aimed at reducing gender inequalities. In particular, budgets could provide the means to build on existing leadership development offers, providing increased access and exposure to all areas of our communities. Further work could be facilitated with both Women's and LGBTQ+ Staff Networks to ensure bespoke development opportunities are provided to increase visibility and access to further skills and employment.
 30. Budgets could also be allocated to gaining a better understanding of the barriers to realising gender equalities, particularly in relation to employment and gender disparities within senior positions. This approach would drive an intelligence-lead, evidence-based approach to providing career development opportunities to under-represented groups.
- **Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).**
31. NHS leaders recognise that partners across the public sector who play a key role in prevention and supporting the health and wellbeing of the population are facing acute financial challenges. NHS leaders therefore support an approach to further protect funding for preventative measures that recognise the importance of improving population health outcomes and the sustainability of services in the longer term. However, the funding allocated for preventative services, including for social care, needs to have clear levers imposed by Welsh Government to ensure the desired outcomes are achieved.
 32. The whole public sector needs to be appropriately resourced, including social care, housing and education. This will allow it to respond to the significant demand facing the NHS and enable health and wellbeing systems to operate effectively. Resources must be allocated to provide the best outcomes for the population, and it is important that the Welsh Government state that a nominal proportion of health and social care funds should be spent on preventative and early intervention activities and spending bodies are held to account for the use of these monies.
 33. The Welsh Government should address, regulate and properly resource contributors to ill-health, such as poor housing, transport and food quality. Shifting the focus from public health initiatives delivered through the NHS and local authorities to addressing the wider determinants of health would reduce demand on the health system, creating capacity. There must also be a shift towards increased preventative spending, supporting early intervention. This must be supported by clear evidence and data to demonstrate a cause-and-effect relationship between these competing factors, along with a clear impact timeframe. This will give confidence to the public that the state of future health is worth investing in now over short-term investment in treatment.

34. Funding for social care services should also be prioritised as they help keep people well for longer outside of hospital and enable faster, safer discharge. It is not possible to consider the long-term future of the NHS 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 NHS and social care services are interdependent. As highlighted in our briefing, ["It's not just a crisis, it's a national emergency": Addressing the challenges in social care](#), the last few years have exposed deep cracks in the social care system and have exacerbated structural vulnerabilities, with devastating consequences for social care residents and their families. It is vital to ensure adequate state funding to improve access and quality of care for those who need it. We need a stable provider market and sustainable workforce that is properly valued, paid and respected for this important work. We believe that parity of pay and conditions across health and care and the creation of a national care service will provide a framework for these changes, which need to be aligned to wider market forces in the social care sector. We need to provide local authorities with ring-fenced allocations for social care, to meet the needs of their population and to support system-wide sustainability. The variation in investment in social care across Wales, for example, needs to be addressed through a renewed collaboration between Welsh Government and local government and have an independent assessment on local authorities social care spending. The funding allocated to social care needs to have clearly defined target outcomes imposed by Welsh Government to ensure that the total amount spent on social care drives the change we need to see.

- **How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?**

35. It is vital that the Welsh Government, and all politicians, explain the financial uncertainty and challenges faced and the impact this could have on NHS and wider public services.

36. As highlighted in our recent briefing, [The NHS at 75: How do we meet the needs of future generations?](#), the scale of the challenge must be communicated to the public and an honest conversation is needed about what the NHS can be expected to provide in the future. Without transparency from the Government on how funding decisions are made, it is challenging for NHS and wider public sector leaders to explain to their local populations why difficult decisions around service changes have to be made. There is a need to engage with the public on service change, as long-term service transformation will take time to implement, so short-term measures must be established to deliver higher priority services.

37. Individuals must feel personally invested in their wellbeing and our health and care service to help ensure its long-term sustainability, which will only be possible through public involvement and co-production of services. This will allow people to feel supported, empowered and informed to take more responsibility for their health and wellbeing, manage their conditions and use services responsibly. Now is the time to galvanise the Welsh public to engage in how the health and care system can innovate and transform to meet the needs of future generations and make patients more involved and navigators of their care, enabling the NHS to provide care in the future.

- **How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?**

38. 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. Changes to the budget should be minimised to ensure clarity. However, changes could be made in exceptional circumstances, such as the significant financial uncertainty that took place following the mini-budget in October 2022.

39. Furthermore, there needs to be increased transparency regarding the level of funding held in reserve at the centre and for all-Wales projects. This will help ensure a clear picture of what is required and the funding available to enable the NHS to plan for services, programmes and the workforce and skills required.

- **How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?**

40. It is clear the ongoing effect of the pandemic is having a significant impact on healthcare systems. This includes reducing the ability to achieve the level of service delivery needed to eradicate clinical treatment delays, with rising demand on services and more patients presenting with higher acuity, and the ability to recruit and retain the workforce needed across health and care services. If the NHS in Wales is facing sustained years of tight funding settlements then pan regional dedicated planned care services will be required to make significant inroads into waiting times and lists rather than assistance with waiting list initiative at a micro level with health board providers.

41. Reducing the elective backlog will take sustained investment over many years and accountability from the Welsh Government. The provision of recovery funding in October 2023 to address waiting list backlogs was welcomed. However, with all UK health commissioners seeking similar improvements in waiting list totals and profiles it has been difficult to secure good value for money when sourcing solutions because of the limited additional capacity available in the UK health markets. Consequently, some of the deployment has been on short term expensive cost per case initiatives through both out-sourced and in-sourced solutions. This is likely to be the health economic outlook for some years and therefore it would be better to look at collaborative regional initiatives to maximise delivery of additional dedicated planned activity in key waiting time areas. This must be over a sustained period rather than consistently fund micro initiatives at health board levels which contribute to an improved position but not at scale and not at best value.

42. Plans to reduce the elective backlog must consider all parts of the health and social care system, not just acute hospital settings. Mental health services, allied health professionals, primary and community care form an eco-system that helps patients wait well before elective treatment, sometimes resulting in the patient no longer needing the planned treatment. Ambulance services, for instance, play a critical role in supporting communities. They have a unique role in connecting with all parts of the NHS and 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.

- **Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.**

43. A sustainable workforce is essential for a sustainable NHS. Investment in student education and staff training across a range of professional groups should continue to be a priority if the healthcare system is to respond to future demands and deliver improved outcomes for patients. In addition to traditional routes, investment in alternative training and education pathways, including apprentices, is important. Investment in educating and training existing staff to acquire new skills and expertise is essential to support the NHS' drive to deliver new ways of working and adopt innovative technology and digital advancements.
44. Strategic workforce solutions should be developed to actively encourage recruitment from local communities, to study, train and work in the NHS across Wales. This should include developing new roles and skills which align with the use of innovative technologies to provide greater resilience.
45. Robust long-term workforce planning must be in place to maintain a sustainable workforce and enable the best use of resources. Long-term workforce planning is only effective if properly integrated with service and digital redesign and transformation. Given the lead times, this would need a 10–15-year approach to change the shape of care, the shape of work and the shape of education. This would provide the opportunity for a radical rethink of how we work.
46. The wellbeing of the workforce is key, particularly in the context of an ageing population, ageing workforce and increasing healthcare demands. Actions to improve retention of staff are increasingly important.
47. One important route to better NHS productivity lies with digitisation, but there is a severe digital and data skills shortage in the NHS workforce. This is impacting the NHS's ability to fully develop, deliver, and scale the digital transformation required to realise real productivity gains.
48. Focusing on each of these elements should result in a more sustainable workforce, contribute to addressing inequalities and increase social and economic benefits to local communities across Wales.

- **Has there been adequate investment from the Welsh Government in basic public sector infrastructure.**

49. As highlighted previously, the lack of capital funding and investment is a major barrier to service delivery now and in the future. We need a funding solution from the Welsh Government for major capital infrastructure work required to keep services running in their current configuration. We have called on the Welsh Government to develop a ten-year investment plan for service change to reshape NHS estates and infrastructure, including digital infrastructure, making it more sustainable, reducing carbon emissions and maximising public assets.
50. The recent RAAC issue across the public sector highlights the parlous state of much of the UK's public capital infrastructure. It is no surprise given the lack of investment and it

is a problem that stretches across multiple governments. The NHS is a case in point: the UK has consistently spent less on capital investment than its OECD peers for more than a decade and a half.

51. For many NHS organisations, there is a significant maintenance backlog with high costs even just for essential maintenance. One health board estimates its maintenance costs to be in the region of £150m, with many organisations needing to replace expensive equipment which is well past its effective working life. This is not only expensive but prevents NHS organisations from using the funds towards new services. It is also vital to invest in digital infrastructure, which is becoming increasingly important to mitigate cyber security risks.
 52. Capital investment is key to continuing to deliver high-quality, safe healthcare, as well as reaching longer-term goals to deliver innovation and integrate care. Having a multi-year capital funding settlement for the entire NHS would help reduce the backlog, ensure the safety of the NHS estate, improve patient outcomes and the working environment for NHS staff, and truly make inroads to reducing inequalities by transforming models of care and improving access to health and care services.
 53. Capital and associated revenue funding is needed to embed more digital innovations accelerated by the pandemic. COVID-19 has highlighted the opportunities afforded by digital technology across the health and care system. 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 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 2024-25 include a significant digital aspect. This means safeguarding and developing existing local and national NHS infrastructure, but also ensuring transformations in patient pathways and the transition more generally to a healthier Wales.
- **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?**
54. NHS leaders recognise the significant financial challenges many third sector organisations in Wales currently face, at a time of increased demand on their services. NHS leaders have always valued the significant contribution the third sector makes to supporting the health and wellbeing of the population. NHS leaders recognise that third sector organisations are mutual partners who work hand in hand with them and have the skills and expertise to improve patient and service user experience and outcomes. All NHS organisations in Wales work in partnership with the third sector by commissioning organisations to deliver services, in effect bolstering capacity and reducing demand on the NHS.
 55. The influence and reach of third sector organisations is not limited to supporting the delivery of health and care services. The sector also plays a vital role in the prevention and wellbeing agenda by providing health and care information; patient and service user advocacy; enabling people to maintain their independence, health and wellbeing in their

own home and in their community outside of NHS settings; and improving people's quality of life and community cohesion by supporting volunteers and volunteering opportunities.

56. The third sector also plays a significant role in engaging with health and social care services when the NHS and other public sector bodies consult on new services or service change. Within A Healthier Wales, there is a clear emphasis on shifting towards community-based models of health and social care that cut across traditional organisational boundaries. A Healthier Wales has enabled third sector bodies to take on a more enhanced role in supporting people and communities, including through engaging with Regional Partnership Boards (RPBs) and Public Service Boards (PSBs). There will also be an increased emphasis on third sector support when the Welsh Government Social Prescribing Framework is published, in addition to the new Mental Health Strategy expected in 2024.

- **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 Well-being of Future Generations Act?**

57. NHS 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 decisions made in the here and now could impact the health and wellbeing of future generations.

58. While health boards make small financial contributions to Public Service Boards (PSBs) from their own budgets, health boards do not receive financial support or resources from the Welsh Government to support the implementation of the Act. Therefore, Welsh Government funding would support public bodies to make further progress. The expectation is that implementing the Act falls within an NHS organisation's core business responsibilities and so it is therefore absorbed by the budgets of those who lead on the Act within each organisation. In recent years, many of these roles have had to be broadened to encompass significant reporting responsibilities to comply with the Act.

59. NHS leaders recognise that implementing the Act should be a key part of core business, both at an organisational and departmental level. However, developing the level of knowledge and robust partnerships needed to implement the Act takes time and workforce capacity, despite no allocated financial resource. In addition, some health boards are members of multiple PSBs that sit within their health board footprint. The strategic priorities of each PSB vary, which can lead to competing priorities for the health board. While RPBs align with health board footprints, PSBs align with local authority footprints, causing challenges with the governance arrangements for RPBs and PSBs. Further clarity is required on the relationship between RPBs and PSBs so they can work in a complementary way.

Conclusion

60. Healthcare, reducing inequalities and maintaining people's mental health and wellbeing, should be at the heart of the Welsh Government's draft budget. NHS leaders understand the current budget limitations on the Welsh Government and believe we need to work

together with the Government, all political parties and public sector leaders to create innovative solutions across a streamlined set of priorities, which effectively balance short-term need with long-term vision. However, the scale of the challenge must be clearly communicated to the public.

61. 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 recognise the importance of improving population health and wellbeing by creating an environment that enables people to maintain good physical and mental health for as long as possible.
62. Creating a sustainable system requires a cross-sector effort to build healthier and more prosperous communities, reducing demand well into the future. To this end, population health must be a consideration across government department budgets. We need to emphasise the importance of working with partners across the public sector so we may collectively rise to the challenges faced. We cannot lose sight of the fact that this is not just about budgets, targets and deficits – it is about people’s lives. They will bear the brunt of the impact, as will the staff who do their very best to care for them every day.
63. Our briefing, [‘Investing in the NHS: Priorities for future government budgets’](#), further details the budgetary pressures within the health and care system, outlining priorities for future government budgets.

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/datasets/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/>

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 44: Ymateb gan: Yn ôl y Partneriaid Bil (Tai Pawb, Shelter Cymru, CIH Cymru) (Saesneg yn unig) | Response from: Back the Bill Partners (Tai Pawb, Shelter Cymru, CIH Cymru)(English Only)



A call for information – Welsh Government Draft Budget proposals for 2024-25

‘THE RIGHT TO ADEQUATE HOUSING IN WALES’

Finance Committee | November 2023

Submitted jointly by ‘Back the Bill’ partners Tai Pawb, CIH Cymru and Shelter Cymru



This response is submitted jointly by the ‘Back the Bill – the right to a good home’ coalition partners, namely Tai Pawb, CIH Cymru and Shelter Cymru. ‘We’ and ‘our’ refers to the partner organisations.

Tai Pawb works to advance equality and social justice in housing in Wales. We imagine a Wales where everyone has the right to a good home | www.taipawb.org

CIH Cymru supports housing professionals to create a future in which everyone has a place to call home. We’re the professional body for people who work in housing, the independent voice for housing and the home of professional standards | www.cih.org

Shelter Cymru exists to defend the right to a safe home. We help thousands of people each year in Wales by offering free, independent advice | www.sheltercymru.org

Key evidence

The Right to Adequate Housing: evidence base (including the cost of inadequate housing), December 2021

- [Executive summary \(English\)](#)
- [Executive summary \(Cymraeg\)](#)
- [Full report \(English\)](#)
- [Full report \(Cymraeg\)](#)

The Right to Adequate Housing: cost-benefit analysis, July 2022

- [Full report \(English\)](#)
- [Full report \(Cymraeg\)](#)

1. Introduction

- 1.1 The Back the Bill campaign welcomes this opportunity to engage with Senedd Cymru's Finance Committee on the draft budget proposals for the year 2024/2025, in relation to the right to adequate housing in Wales.
- 1.2 Since 2019, we've campaigned to secure housing as a human right and built the evidence base on incorporating the right to adequate housing in Wales which, according to an opinion poll, is supported by **77% of people in Wales surveyed in 2020.**
- 1.3 Housing in Wales is in crisis with record numbers of people in Temporary Accommodation, extended social housing waiting lists, the increasing unaffordability of the Private Rental Sector and a younger generation for whom home ownership is increasingly out of reach. Exacerbated by the rise of second homes and Air BnB, too many people are struggling to find a safe, suitable home they can afford.
- 1.4 Our submission to the Committee should be seen against a backdrop of significant and ongoing challenges. We recognise the difficult budgetary environment within which the Welsh Government is operating. Evidence from the recent Housing Matters campaign highlights the pressures faced by maintaining services in the current climate. While our campaign may primarily be seen as a human rights or housing campaign, housing is such a cross cutting issue that it impacts on many areas of the budget (i.e, health, local government, police) and cross-pollinates almost every public policy area – it is that permeation that highlights housing as a key driver of positive societal change and an opportunity to 'invest to save'.
- 1.5 We believe there is an evidence-based alternative to this constant pressure of service delivery and diminishing budgets, one which can in the long-term deliver a solution to our housing crisis whilst also saving valuable money for other areas of public spending.
- 1.6 Further in this response, we present evidence, highlighting how the right to adequate housing can be delivered under an **invest to save** model – delivering significant social and economic benefits, while also saving money.

2. The cost of inadequate housing

- 2.1.1 The figures presented in this section are a summary of sections of [research](#) undertaken by Alma Economics, "The right to adequate housing in Wales: The evidence base." It's estimated that the annual cost of homelessness in the UK was estimated at around £24,000 to £30,000 per

person, and £1 billion overall (Department for Communities and Local Government, 2012).

- 2.1.2 Poor housing conditions and homelessness can have adverse effects on individuals' physical and mental health, increasing use of the NHS, worsening self-reported health and reducing life expectancy. In a 2019 report, Public Health Wales estimated that poor housing costs the health service in Wales £95m per year. According to the authors, investing £1 in improving warmth in vulnerable households can generate £4 savings due to reduction in hospital admissions for circulation and lung conditions. Spending £1 in adaptations to make houses accessible for older and disabled people can also result in £7.50 savings due to reduction in tenants' falls. Similar results were found by Care & Repair Cymru; investing £1 in the Rapid Response Adaptation Programme, which facilitates home adaptations to enable hospital patients to return home safely, can generate £7.50 savings in health and social care budgets. Recent evidence suggests that repairing and renovating inadequate houses can result in enhanced health.
- 2.1.3 Palacios et al. (2020) explored the impact of housing conditions on health outcomes using data on 25,000 individuals (in Germany) over 25 years. The authors found that poor housing conditions can have adverse effects on physical and mental health, increasing doctor visits by 11%.
- 2.1.4 A recent study by Tieskens et al. (2021) explored the impact of energy retrofits on paediatric asthma, based on US data on health outcomes of children in low income families. The authors found that improving energy efficiency and increasing ventilation in existing affordable houses could have positive effects on health outcomes and generate healthcare cost savings of an average of more than US\$200 per person per year.
- 2.1.5 Housing Support 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 (Fury, Montes, Taylor, 2020).
- 2.1.6 Living in inadequate or unaffordable housing is associated with poor educational outcomes for children. Households with access to affordable housing have more available income that can be used for nutrition, further helping children to perform better at school (Thomas, 2017). There is evidence that improving housing adequacy is associated with higher levels of productivity and economic activity (see e.g. Diamond, 2020 or Wiesel, 2020). A lack of affordable and adequate housing is associated with increased contacts with the criminal justice system (PWC, 2018).

2.1.7 Crisis found that the cost for using drug and alcohol dependency treatment services would be around £300 per homeless household per year (Alma Economics, 2019; PWC, 2018). The costs for contacting mental health services and using NHS services for mental health would be £500 and £1,000, respectively. Healthcare and mental health services for children in homelessness would cost approximately £200 and £300 per child per year, respectively.

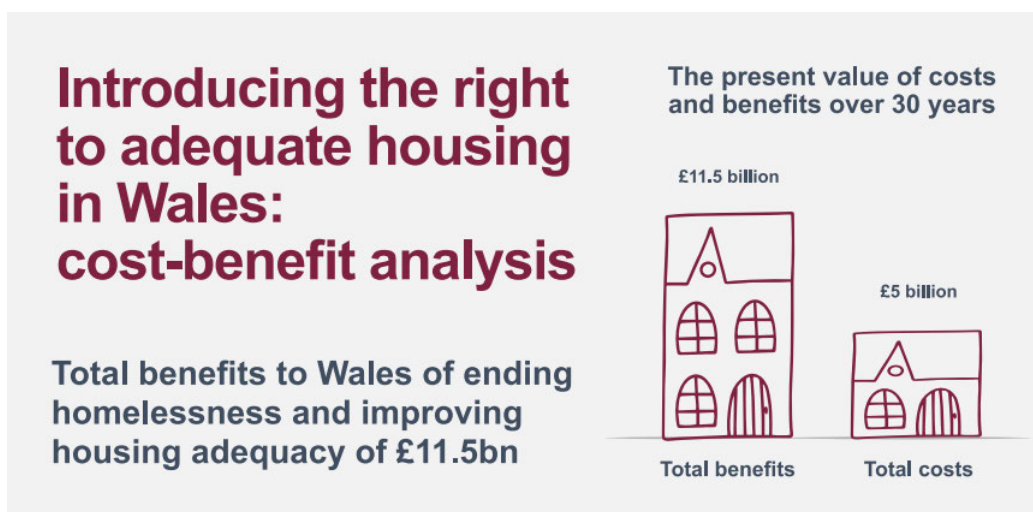
2.1.8 Reducing homelessness can generate savings in the criminal justice system. According to Crisis research (PWC, 2018) as well as an Alma Economics (2019) study commissioned by Crisis, the average cost of contact with the criminal justice system for a homeless household was estimated to be £2,439. The same studies suggested that children being in homelessness would cost £57 per child per year to the justice system. Programmes supporting homeless people or people at risk of homelessness, such as the Housing Support Grant, can generate an estimated savings of around £50 million to the criminal justice system annually (Fury et al., 2020).

3. COST-BENEFITS

We commissioned Alma Economics to independently undertake a second phase of research, namely a cost-benefit analysis of introducing a right to adequate housing in Wales.

Key findings

Alma Economics **identified benefits to the public purse worth £11.5bn against overall costs of £5bn over a 30-year period.** It is projected that those benefits could start to outweigh costs after just six years.



For every £1 spent on the right to adequate housing, the paper highlights £2.30 in benefits (and each of the categories referenced below are explored in greater detail in the report). It will:

- save **£5.5bn** in improved well-being;
- save **£2bn** from local council budgets;
- save **£1bn** for the NHS; (likely an under-estimate and in addition to savings derived from existing Welsh Government housing-based policies)
- save **£1bn** for the criminal justice system; and
- generate **£1bn** in additional economic activity;

One of the main assumptions is that the right to adequate housing (RTAH) is progressively realised over a 10-year period, meaning that new policies are introduced over 10 years to support people to access adequate housing. However, in practice, the progressive realisation of the RTAH might take more or less time to achieve. This means that the costs and benefits of introducing the RTAH will materialise at a slower or faster rate, but the ratio of benefits to costs would not be expected to change substantially (and is inflation adjusted).

Although the RTAH is progressively realised over and fully implemented in 10 years, the impact of the costs and benefits of introducing the RTAH stretch over 30 years. The model estimates costs as well as tangible and intangible benefits compared to a 'business as usual' scenario, that is, a scenario in which the RTAH is never introduced. On the other hand, if Wales was hypothetically and fully on the path toward universal adequate housing under current policies, introducing the RTAH would not generate any additional costs or benefits, instead it would only reinforce the commitment to achieving adequate housing for everyone in the country.

Costs of introducing the right to adequate housing in Wales

The model includes costs relating to homebuilding, securing suitable accommodation for homeless households, such as through deposit payments or rent arrears payments, as well as rents paid. The model also assume that all households exiting homelessness will continue receiving housing support to maintain their accommodation. Alma Economics also take into account the costs of adapting houses to residents' needs. All figures in the modelling, including all estimates of benefits which are discussed in the following subsection, were inflation-adjusted and represent constant 2025 (real) values. If inflation is higher or lower than expected, real prices remain unaffected.

Benefits of introducing the right to adequate housing in Wales

The key findings suggest that the specific scenario modelled for progressive realisation of the RTAH in Welsh law would generate socio-economic benefits that *significantly outweigh the costs*. Incurring costs of £5 billion for the RTAH to be progressively realised over ten years is expected to generate £11.5 billion in economic and social benefits over a 30-year period. The discounted net present value (i.e., discounted total benefits minus discounted total costs) is equal to £6.5 billion, and the Benefit-Cost Ratio (BCR) is equal to 2.3, meaning that each £1 of spending to provide adequate housing in Wales would generate around £2.30 in benefits. This is additional to significant benefits already included in the business-as-

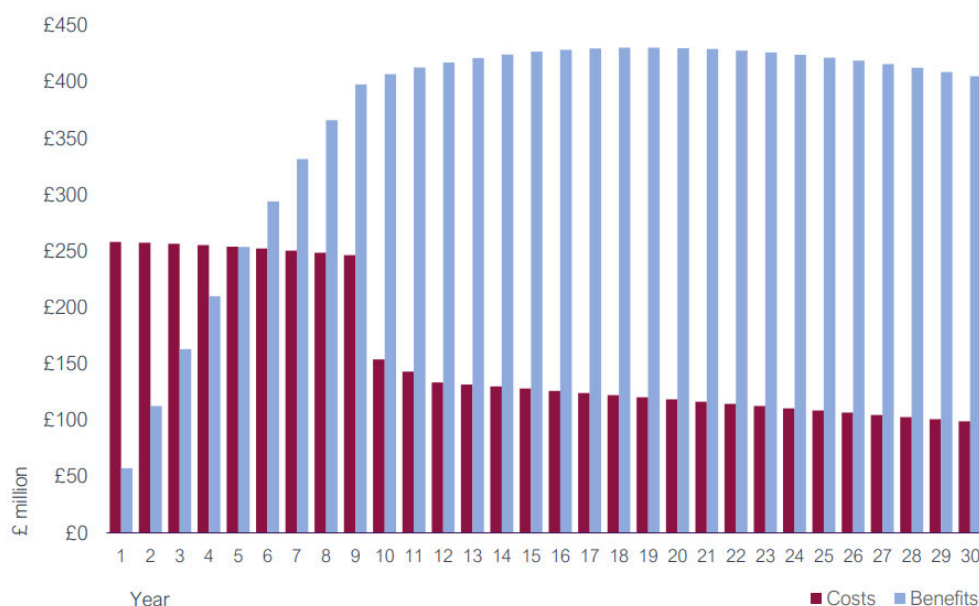
usual scenario of only pursuing policies that have already been announced. Under the business-as-usual scenario, assuming that all people in Wales will live in a house of EPC rating A by 2050, we estimate that decarbonisation policies will generate health and wellbeing benefits of over £30 billion. The benefits of the introduction of the RTAH will be additional to the benefits generated by policies to tackle the climate emergency, in particular supporting and boosting the decarbonisation agenda.

Figure 1 below shows the present value of costs and benefits generated over a 30-year period following the introduction of the RTAH in Year 1. Most costs relating to homebuilding and housing adaptations are generated over Year 1 to Year 10. Homebuilding continues from Year 10 until Year 30, as we assume that after Year 10 there are 500 newly homeless households per year which are supported to rapidly exit homelessness by being provided with newly built houses (this is in addition to the 20,000 homes to which Welsh Government has already committed in this Senedd term). Other costs relating to the provision of housing support to households exiting homelessness, rents and costs of securing suitable accommodation continue until Year 30. Benefits, including savings to the public and private sector as well as wellbeing gains, start materialising from Year 1, during which a proportion of homeless households exit homelessness and housing stock begins to be adapted at a faster rate than under current policies. In year 6 and beyond, benefits start outweighing the costs. This means that before Year 10, the year in which the RTAH will be fully realised, the introduction of the RTAH will generate more benefits than costs. The sum of the present value of costs and benefits depicted in the figure below is equal to £5 billion and £11.5 billion, respectively.

The scenario for progressive realisation of the RTAH in Wales is also expected to generate some offsetting fiscal benefits. Based on findings from Phase 1, ending homelessness and making housing adaptations can generate around £1 billion in cost savings for NHS Wales over a 30-year period due to reduced use of drug and alcohol treatment and reduced need for mental health services, as well as benefits due to a reduction in accidents in the home. The introduction of the RTAH in Wales will support current plans toward a Healthier Wales and contribute to putting NHS Wales onto a sustainable path. Supporting homeless households to move out of unemployment could generate additional economic output of around £900 million over 30 years. Regarding cost savings to the criminal justice system, the report estimates that around £1.3 billion could be saved. Additionally, access to adequate housing can lead to reduced crime, thus fewer victims of crime and enhanced community safety (Alma Economics, 2021). Due to a lack of quantitative evidence, the study also qualitatively discusses the expected positive impacts of housing adequacy on educational outcomes, using the evidence base described in our Phase 1 report.

The model also includes benefits for local authorities due to reduced use of homelessness services, which are estimated to be around £2 billion. The report also considers the improved wellbeing of households due to moving from homelessness into secure housing as well as due to reduced housing hazards as a result of housing adaptations (£5.5 billion). The model also includes the rental value of newly built houses, which is estimated to be around £1 billion.

Figure 1. Present value of costs and benefits of the RTAH over 30 years



On health and well-being, for example, the report projects that the improved quality and suitability of homes would lead to less hospital admissions; equally, with a gradual increase in the number of suitable homes available, there would be less reliance on council and other homelessness support services, resulting in further savings to the public purse.

In their report, Alma Economics further highlight ways in which the proposed legislation would support important priorities for the Welsh Government and the people of Wales, such as decarbonising the housing stock across Wales by 2050 and providing homes suitable for an ageing population. Additionally, a right to adequate housing would drive action to tackle inequalities by reducing overcrowding and better supporting disabled people to access homes that meet their needs.

4. Conclusion

4.1 We welcome Welsh Government's commitment to introducing a right to adequate housing through its Programme for Government and the Co-operation Agreement with Plaid Cymru.

4.2.1 As Back the Bill partners, **we believe radical reform of the system is required in Wales if we are to properly address the housing crisis and the poor outcomes faced by too many people** – whether that be inappropriate accommodation, insecurity of tenure or homelessness for example. **A human rights approach to housing can be a driver for positive and sustainable change.**

The current financial situation for the Welsh Government is extremely challenging. Against this backdrop, services are facing cuts, and it may seem

counter intuitive to increase individual rights for fear of not being able to meet them. **We believe our evidence challenges this narrative**, highlighting an invest to save model. Investment in the right to adequate housing makes financial sense with significant savings across areas such as health, local government and police.

Moving forwards, **we believe it is vital that Welsh Government begins to think differently about this invest to save model** (and others). The backdrop of austerity, continued financial challenge and increased proportion of the Welsh Government spending on health means that invest to save models can, in the long run, bring about positive, sustainable change. Not only does this make moral sense, it makes financial sense; moreover, it improves outcomes for those accessing housing and housing-related services while reducing the pressure and financial burden on other areas of the public sector.

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 45: Ymateb gan: Ffederasiwn y Busnesau Bach (Saesneg yn unig) |
Response from: Federation of Small Businesses (FSB) (English Only)



Welsh Government Draft Budget Proposals for 2024-25

Senedd Finance Committee Consultation Response

FSB Wales

November 2023

1. What, in your opinion, has been the impact of the Welsh Government’s 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

Welsh businesses and the Welsh economy had to navigate and survive the challenges of the Covid-19 pandemic only to be faced with the significant pressures arising from the cost-of-doing business/ cost-of-living living crisis. This has left many SMEs in survival mode, unable to think about innovation or future investment, and in a constant state of firefighting. While Welsh and UK Government interventions to ease these burdens has been helpful, the removal of this support before businesses and the economy had fully recovered has left many SMEs struggling this year. Recent high inflation has reduced consumer spending while significantly increasing input costs for business, especially but not exclusively in energy. Consequential increases in the base rate has also led to an increased cost of borrowing which slows business investment in machinery, new and green technologies, staff, and premises. This has particularly impacted Welsh high streets and the tourism, leisure, and hospitality sector.

Following discussions FSB Wales had with the Finance Minister and Cabinet colleagues, the extension of Small Business Rates Relief for many businesses within these sectors was used to help ease pressures in these key sectors. This was a crucial intervention that was welcomed by FSB Wales and SMEs across Wales. It provided some much-needed certainty for small businesses in an otherwise uncertain time.

Despite these various challenges, Welsh businesses have displayed notable resilience. Our ongoing research, reflected in numerous interviews conducted for our recent skills report¹, underscores the strong desire and commitment among SMEs to expand in the coming year. Although the ability to substantially increase employment is presently limited, we anticipate that businesses, recognising the essential role of their current employees, will make every effort to retain them over the next 12 months.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? – How financially prepared is your organisation for the 2024-25

¹ <https://www.fsb.org.uk/resource-report/a-skills-led-economy-for-wales.html>

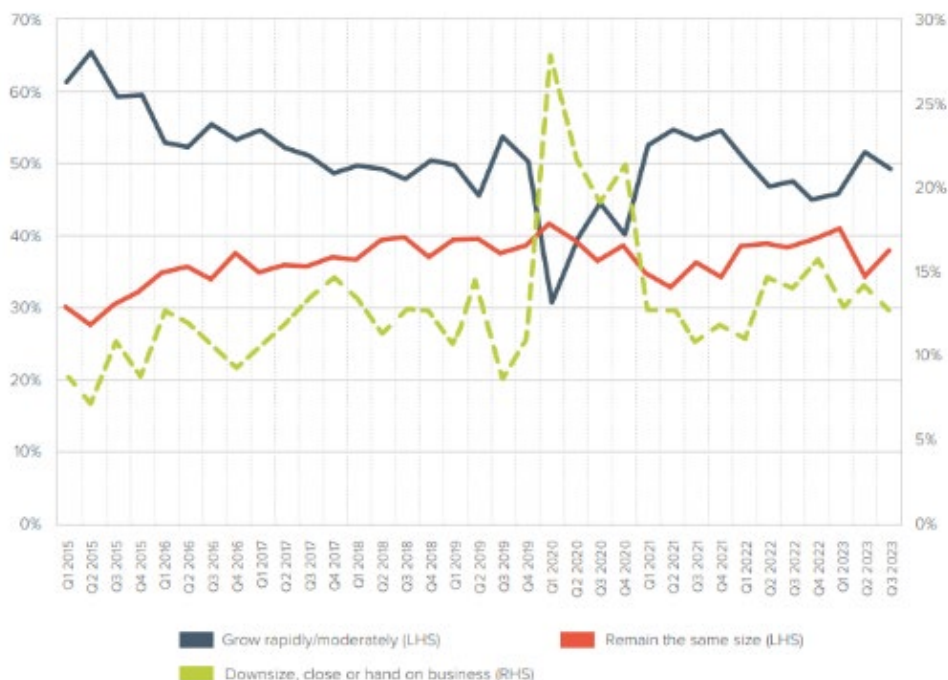
financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

FSB have recently published our Small Business Index Report² for Q3 2023. While small business confidence did regain some ground between Q2 and Q3 2023, it is still in negative territory for the sixth quarter in a row. This suggests that many small businesses in Wales and across the UK will not find themselves in a position to plan for growth and will be vulnerable to various changes in different Government’s policies and increasing costs. This is supported by the fact that our research found that 53% of small business found the availability and affordability of new finance as poor. The economic landscape is not one that is allowing for or supporting small business growth.

In Q3, the net balance of small businesses reporting an increase in their operating costs rose to 83.5%. This marked a return to a rising share of businesses reporting cost increases. Utilities continues to be the most commonly cited source of changing business costs. Financing also remains a notable source of cost pressure, with nearly a fifth (19.8%) citing this as a source of changing business costs in Q3. Interest rates remain elevated which has impacted borrowing costs for businesses.

The share of small businesses expecting to grow over the coming year has decreased slightly to 49.6% in Q3, following a 51.3% majority in Q2. This marked a return to a situation where only a minority of SMEs expect to grow over the next 12 months. The domestic economy was the most frequently cited potential barrier to businesses expecting to grow over the next 12 months. This suggests the economic landscape is altering the growth objectives and business plans of SMEs. It is because of this that we feel it is

Figure 12: Growth aspirations for next twelve months
Source: FSB - Verve 'Voice of Small Business' Panel Survey



essential that Welsh Government deploys the consequential funding from the UK

² <https://www.fsb.org.uk/resource-report/small-business-index-quarter-3-2023.html>

Government Autumn Statement and utilises their business rate lever to create headroom, space, and time for SMEs so they can have enough certainty to create a business plan, deliver upon that business plan, and create growth. FSB Wales are calling for Welsh Government to freeze the small business rates multiplier and extend the 75% business rates relief for the most affected sectors. Welsh Government can also help foster growth and recovery via skills and business support in the medium term by committing to continued funding for Business Wales and improving SME voice and engagement in higher education, further education, and the skills system.

Notably, the confidence of businesses in the accommodation and food services, followed by wholesale and retail, was lowest when small business confidence was broken down by sector (at -31.1 and -22.9 respectively). This is why we are asking Welsh Government to further extend the 75% rates relief for businesses in retail, leisure, and hospitality, which will also provide parity with those small businesses in England following the Autumn Statement.

Retail, hospitality and leisure businesses are among the most impacted by constrained consumer spending but are essential for the recovery of our high streets and local communities. Retail sales volumes in October this year were at their lowest level since Covid lockdowns in February 2021 causing concerns about the festive trading period so vital to these businesses.³ Using business rate interventions will help protect businesses during this challenging economic climate and foster viability in our high streets – which will be immensely valuable in Wales’ more deprived communities and rural areas. Business rates are consistently cited by small businesses as one of their greatest barriers and serves as a disincentive to setting up and developing physical premises – taxing businesses before they have made their first pound of profit. Extending the current level of relief and freezing the multiplier is a key part of ensuring future viability of these businesses and seems consistent to reinforcing and helping re-grow the retail sector, a sector highlighted as important in Welsh Government’s own Retail Action Plan.

We are alarmed at recent reports about a potential significant reduction in funding available for apprenticeships in Wales outlined in a letter from Colleges Wales and NTFW (National Training Federation for Wales)⁴. There is no doubt that a 24.5% cut in funding will have a significant impact on delivery among providers on which small businesses depend. At the time of writing, there is lack of clarity as to how this cut is so at odds with what had previously been communicated to providers and could dent confidence among smaller businesses as to future provision. Given that skills are a core element of Welsh Government’s recent Economic Mission, it is essential that skills are properly funded to realise this aim.

While we recognise there are significant pressures on Welsh Government’s budget, FSB Wales believe it is important that a clear narrative is communicated around business and sustainable economic growth, and Welsh Government’s intent in policy and resources support this.

³ <https://www.ft.com/content/c90b297e-258b-4c54-a4d4-94d42648d553>

⁴ <https://www.business-live.co.uk/economic-development/number-new-apprentices-wales-facing-28188789>

3. What action should the Welsh Government take to help households cope with inflation and cost of living issues? – How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

While other organisations may be better placed to fully answer this, FSB Wales would like to emphasise that the recovery and regrowth of our economy and communities depends on the recovery and regrowth of smaller businesses across Wales. It is crucial to note that SMEs constitute 99.3% of enterprises across Wales, 62.9% of total employment, and 42.% of turnover.⁵ Individual businesses are eager to achieve stability and growth in the next 12 months. However, the realisation of this stability hinges on the decisions made by the governments in Westminster and Wales.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

FSB Wales believes that there may be further scope to use targeted business rates relief to help drive Welsh Government’s mission to move towards net zero. Providing relief to those businesses which invest in sustainable operations within their business may encourage other businesses to follow suit, incentivise this behaviour, and further drive net-zero ambitions. This, alongside finance avenues, such as Development Bank of Wales’ Green Investment Fund, helps to de-risk sustainable operational changes and incentives more sustainable practices.

Net-zero skills are still missing in the Welsh economy to sufficiently achieve Welsh Government targets, both for employees and employers. There is an appetite among SMEs for the move to net-zero. We know from previous FSB research, that 73% of small businesses in Wales believe that they have a responsibility to become more sustainable⁶, so providing the right economic incentives will help this responsibility become a reality. Many businesses don’t know where to start. Carbon auditing, for example, is one skill that many SMEs struggle with.

Funding and support for schemes like Green Digital Academy⁷, running in north Wales, will be critical to support SMEs to move to net-zero. Businesses are keen on net-zero, not only for the sake of the environment but to help them economise, which has become especially prominent given current issues around costs, specifically energy costs. This makes it a perfect time for Welsh Government to push support in this area using both of these motivators in tandem. However, there is a key distinction to note here between businesses who are doing well and are keen on net-zero, who have the space, ability and capacity to think about net zero with a lack of other pressures compared to many other businesses for whom this is somewhat on the back burner. A lot of businesses do not have the ability to prioritise net-zero measures currently due to the economic landscape – they’re in survival

⁵ <https://www.gov.wales/sites/default/files/statistics-and-research/2023-06/size-analysis-businesses-2022-655.pdf>

⁶ <https://www.fsb.org.uk/resource-report/what-we-value.html>

⁷ <https://www.gllm.ac.uk/busnes/projects/green-digital-academy>

mode – supporting them to grow and recover will also allow them the room to contribute towards net zero.

We know that employers are also struggling to find net-zero skills in the workforce. Welsh Government has to make sure they are anticipating future skills requirements for harnessing new economic opportunities during the transition to a net-zero economy. This will ensure that Welsh businesses and their workforce can adapt and flourish the future, harnessing the opportunities and not just absorbing the costs. Our recent skills report found that many small businesses in Wales are currently grappling with a mismatch between the skills in the education system and business needs, which will be especially prevalent in net-zero skills due to ongoing, changing, and complex needs/demands.

Welsh Government's Green Investment Fund delivered through the Development Bank of Wales is a positive and welcome intervention providing funding for measures which decarbonise property, product or process.

Finally, FSB Wales is concerned that messaging and engagement around environmental policy changes is not comprehensive, far-reaching, or accessible enough. Given there has been a lot of movement in this area (such as the UK Government plastic tax, deposit return scheme, waste and recycling separation, and the single-use plastics ban), and this had differed in the UK constituent countries which will lead to further complexity in messaging and compliance. Micro businesses and the self-employed should be considered 'hard to reach' in communications, which leaves them at risk of non-compliance through ignorance. Despite the majority of SMEs in Wales acknowledging their responsibility to be more sustainable, FSB Wales research found that only 25% felt they knew enough about Welsh Government policy on the environment to know how it will impact their business.⁸

5. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

As previously mentioned, FSB Wales believes Welsh Government could use business rates to better support small businesses and the Welsh economy, and to incentivise green growth.

The freezing of the small business rates multiplier is a crucial demand to provide much-needed certainty for small and medium-sized enterprises (SMEs) in Wales. Business rates are consistently identified as significant barriers for small businesses, often acting as a disincentive for establishing and developing physical premises. By freezing the multiplier, the Welsh Government can alleviate financial burdens on SMEs, allowing them the headroom, space, and time necessary to create robust business plans and foster growth. Freezing the multiplier sends a clear signal of support and confidence in key sectors. It ensures that businesses are not taxed disproportionately, especially during challenging economic climates. SMEs, being the backbone of the economy, will benefit from this measure, enabling them to focus on generating profits and contributing to economic recovery. This demand reflects the need for proactive government intervention to create a favourable environment for sustainable business growth in Wales.

⁸ <https://www.fsb.org.uk/resource-report/what-we-value.html>

Extending the 75% rates relief for businesses in the hospitality, tourism, and leisure sector is a targeted and essential demand to address the unique challenges faced by these industries. The accommodation and food services sector, in particular, has demonstrated the lowest confidence, with constrained consumer spending and concerns about the festive trading period and utility costs, providing additional rates relief is a strategic move to support the recovery of these vital sectors. These businesses play a crucial role in the revitalisation of high streets and local communities. The extension of rates relief aligns with the goal of fostering viability in these sectors.

Finally, the introduction and continued use of schemes such as the energy efficiency, renewable energy, electric vehicle charging points plant and machinery, and microgeneration rates relief will help support those businesses who are trying to be more sustainable and provide incentives to those who are yet to make changes.

6. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

a. Is enough being done to tackle the rising costs of living and support those people living in relative income poverty? – How could the budget further address gender inequality in areas such as healthcare, skills and employment?

In FSB Wales' most recent skills report, we had a few businesses in the STEM sector identify challenges with careers information, advice and guidance, and presumed gender roles. If young people from oppressed groups are facing bias in their education, these biases will reproduce in later in employment. It is clear that despite activity in recent years, more needs to be done to increase the visibility of women entrepreneurial role models for young women in education – which could be done as part of wider engagement SMEs in further and higher education and the general skills system.

We also know that when it comes to business support and access the finance, the breakdown on data by gender is interesting. A slightly higher percentage of women have accessed Business Wales than men (79% to 75%) but there is a significantly lower percentage of women (51%) who are aware of Development Bank of Wales as compared to men (70%). This finding fits with wider evidence that women have less knowledge of and access to finance than male business owners. It is also reflected by the fact that in our survey a lower proportion of women (26%) say they are like to access finance than men (37%). Ensuring that Business Wales is sufficiently funded and safeguarded will be crucial to supporting women and minority groups in business. This needs to be complemented by improving access to finance. Women need to be aware of the full range of finance options available to them, including alternative sources.

To improve on this, Welsh Government-supported enterprise development programmes undertaken by the Development Bank of Wales could be equality impact assessed, to review the impact on protected characteristics at the budgeting, design, implementation, monitoring and evaluation stages. The Development Bank of Wales should assess the availability of finance for women entrepreneurs and ensure there are no unnecessary restrictions to the awarding of finance. This should include access to its own funding and

financing mechanisms, but also assessment of the gender gaps in the wider funding environment (including the big banks).

b. Is the Welsh Government’s approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

FSB Wales would like to note that investing in Business Wales or providing business rates relief will help the rebuild our economy and improve the medium and long-term health of the economy. We recognise that there are budget constraints but spending in the economy now will have long term gains in terms of revenue and multiplier effects socially.

The recovery and regrowth of our economy and communities in Wales requires strong local and small businesses across Wales. It is important to remember that SMEs constitute 99.3% of enterprises across Wales, 62.9% of total employment, and 42.0% of turnover, as mentioned previously.⁹ Small businesses employ local people, who spend their money locally - the stability and health of Wales’ economy and communities are intricately tied to the prosperity of SMEs. It is important to remember that decisions made by governments in Cardiff Bay and in Westminster now, will impact the longer term growth of the economy, revenue collection, and the success of local communities.

c. How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues? How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

While we recognise the difficult choices faced by Welsh Government currently, it is important to be clear about the impact of these decisions. Any loss of resource in budgets to protect and reinforce or grow the Welsh economy will inevitably be felt by businesses at what is a delicate and precarious moment for our economy. Welsh Government needs to explain clearly the choices it makes and what it chooses not to do. This also includes adjusting targets or policy aims where these are affected.

As already mentioned, awareness on policy decisions needs to be improved generally, but particularly on net-zero and environmental policies. SMEs have to be considered ‘hard to reach’ and if policy is to be effective, larger, more comprehensive, and innovative campaigns are needed. SMEs have limited financial and human resources so won’t have the time necessary to keep always be aware of new and upcoming policy, especially the detail of policy and how it may or may not affect them. Small businesses owners often wear multiple hats and are time poor, which means that complex policy, processes, bureaucracy, and paperwork is disproportionately burdensome on them. To build trust in government and achieve better compliance (where relevant), reaching out to SMEs is crucial. In some cases, SMEs, particularly in rural areas or certain industries, may not be fully integrated on digital platforms which can limit the effectiveness of online communications and outreach. While we acknowledge that FSB has a role in helping

⁹ <https://www.gov.wales/sites/default/files/statistics-and-research/2023-06/size-analysis-businesses-2022-655.pdf>

businesses understand policy, we cannot advocate policy to all small businesses and Welsh Government needs to fund outreach campaigns appropriately to fill this gap.

d. How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue? – Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

N/A

e. Has there been adequate investment from the Welsh Government in basic public sector infrastructure. Is there enough infrastructure investment targeted at young people?

Improving transport infrastructure in Wales should play a key part in any economic mission. Currently transport infrastructure in Wales is holding back the Welsh economy, limiting the ability of moving product or labour force around Wales, limiting where businesses can establish themselves, and hindering supply chains.

Small businesses are overwhelming reliant on roads, with our surveys regularly showing that 9 in 10 UK SMEs place a high value on the road network.¹⁰ Small businesses have a necessary dependence on road-based transport so reliable, well-maintained, road infrastructure across the whole of Wales should be a key concern. As already mentioned, rural businesses are especially likely to rely on roads as they often report little or no access to public transport links like rail or buses. 78% of goods in the UK are transported by road, whereas only 13% are moved by water and 9% by rail. As such, congestion, poorly maintained local roads and a lack of regional strategic transport planning pose a significant barrier to economic growth.

There is a danger that sequencing of transport policy has begun from emphasis on disincentives to car use without detail and credible plan for funding wider public transport, and so without the guarantee of a viable alternative. Chronic under-investment over decades means that the scale of change needed is challenging at the time when revenues from fuel duty will fall, and during financial squeeze.

Train infrastructure has historically been underfunded in Wales with 11% of the rail networks and just over 1% of the rail enhancements in the years leading to 2018. Unlike Scotland and Northern Ireland, Wales has not gained any additional spending through Barnett consequentials following the development of HS2 and the Northern Powerhouse Rail project although we await clarification of the detail of investment in the North Wales mainline which if realised in full, will be welcome.

The recent reduction in bus grants and the current position of buses do not provide confidence that viable alternatives are being put in place, with bus services in danger of becoming a 'skeleton' service'. Evidence from the Confederation of Passenger Transport (CPT) said that Welsh bus patronage is about 30-35% below pre-pandemic levels. The Campaign for Better Transport (CBT) putting local bus and rail use is 75-80% of pre-

¹⁰ <https://www.fsb.org.uk/resource-report/different-routes-same-destination.html>

pandemic levels. It is therefore a matter of urgency that a clear plan of financing and linking together the investment and pricing of modes of transport be put in place to ensure confidence in connectivity in the future.

f. How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

N/A

g. 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?

N/A

h. 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?

Welsh Government has to ensure that our economy and the economic mission still has an economic development focus, but we do need to move away from the idea of job creation being the ultimate measure. For example, when measuring the skills and capacity, looking at the overall creation of apprenticeships is not an effective measure. We need to be looking at the distribution of skills and capacity – how do we know SMEs are accessing the skills they need? Where are apprenticeships prevalent? Another potential measure that could be useful for determining the success of the economic mission and the health of our economy is ‘missing middle charting’. How many businesses are moving up through different bands of employees over time?

With regards to the national milestones and national wellbeing indicators, while goals for 2050 are useful high-level goals, we would suggest that milestones must also provide a sense of greater urgency and that there needs to be more short-term and medium goal milestones. This will help creating ‘living’ aims. FSB Wales doesn’t believe that the indicators adequately take into account the economy or economic development, in particular when looking at milestones towards a ‘prosperous Wales’. The argument around sustainable development articulated through the Well-being of Future Generations framework is about how different policy strands are mutually reinforcing. This is a good general principle.

However, we are concerned that without placing an emphasis that place the economic as foundational base that are key for success within wider outcomes that well-being and prosperity in Wales will not be captured properly by the milestones and indicators, and moreover that it will skew policy attention away from the foundational aspect of sustainable economic development as reinforcing wider well-being outcomes. We would suggest more measures that have a renewed emphasis on economic development and developing sustainable businesses for local communities, given that SMEs account for the vast majority of businesses in Wales. The following could be considered:

- Number of businesses with a HQ in Wales

- Early exit and succession planning – is there a steady stream of business growth without change of ownership?
- Human Development Index – increase in score and where Wales sits in the table by 2050

Having measures that track interventions well provides value for money. FSB Wales has some concerns that the Economic Mission lacks measurement. Where the mission is measured, this is against the well-being goals which aren't particularly well understood by the businesses community nor do they track well against the economy. This will make understanding the success of the mission more difficult.

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 46 : Ymateb gan: Chwaraeon Cymru | Response from: Sports Wales



Y Pwyllgor Cyllid – Ymateb Chwaraeon Cymru

1. Ymateb Chwaraeon Cymru i ymchwiliad y Pwyllgor Cyllid i gyllideb ddrafft 24/25:

Chwaraeon Cymru yw'r sefydliad cenedlaethol sy'n gyfrifol am ddatblygu a hyrwyddo chwaraeon a gweithgarwch corfforol yng Nghymru ar lefel gymunedol ac elitaidd. Rydym yn cael ein hariannu gan gyllid blynyddol gan Lywodraeth Cymru a thrwy incwm a gynhyrchir o'n gweithgareddau ein hunain. Ni yw'r prif gynghorydd ar faterion chwaraeon i Lywodraeth Cymru ac rydym yn gyfrifol am ddsbarthu arian y Llywodraeth a'r Loteri Genedlaethol i chwaraeon yng Nghymru.

Chwaraeon Cymru yw un o'r cyrff cyhoeddus lleiaf yng Nghymru ac mae ein cyllideb yn cynnwys costau rhedeg, cyllid grant ar gyfer Cyrff Rheoli Cenedlaethol, partneriaid cenedlaethol ac awdurdodau lleol i ddarparu chwaraeon, ond hefyd chwaraeon cymunedol – gan fuddsoddi a chynyddu cyfleoedd lleol i glybiau a chymdeithasau wasanaethu anghenion eu cymunedau lleol.

Rydym yn un o'r 44 corff cyhoeddus yng Nghymru sy'n dod o dan Ddeddf Llesiant Cenedlaethau'r Dyfodol (Cymru); rydym yn cyflawni ein dyletswyddau o dan Safonau'r Gymraeg ac yn teimlo bod ein lle yng nghymdeithas a diwylliant Cymru yn hynod bwysig. Rydym yn gweithio'n agos gyda'r Comisiynwyr Pobl Hŷn a Phlant ac yn cyflwyno ein holl waith drwy lens cydraddoldeb, amrywiaeth a chynhwysiant.

Rydym yn ymdrechu i fod y gorau y gallwn fod a rhoi'r gorau y gallwn ei gynnig i bawb ar hyd y llwybr chwaraeon, o blant sy'n dechrau arni i athletwyr sy'n ennill medalau, i lwybr gyrfa amrywiol yn y sector chwaraeon, i bobl hŷn yn cadw'n heini, yn iach ac yn annibynnol.

Ymateb

Mae Chwaraeon Cymru yn croesawu'r cyfle i ymateb i ymgynghoriad y Pwyllgor Cyllid ar y gyllideb ddrafft. Rydym yn sylweddoli bod **heriau economaidd** clir (**e.e. costau byw, tlodi cynyddol ac anghydraddoldeb**) yn effeithio ar y boblogaeth – fodd bynnag, mae cyfranogiad mewn chwaraeon eisoes wedi'i ystumio'n sylweddol yn erbyn anghydraddoldeb ac incwm isel, felly mae perygl y bydd y sefyllfa hon yn gwaethygu fwy fyth pe byddai gostyngiad yng nghyllideb Chwaraeon Cymru.

Mae'r ystadegau diweddar o [Draciwr Gweithgarwch Cymru](#) yn dangos yr effaith y mae'r argyfwng costau byw yn ei chael ar chwaraeon a gweithgarwch corfforol, fel y ffaith bod 40% o'r ymatebwyr i'r arolwg cynrychioliadol hwn yn cytuno bod yr argyfwng costau byw wedi cael effaith negyddol ar eu gallu i fod yn actif. Pobl dan 55 oed, merched a rhieni sy'n cael eu heffeithio fwyaf, a naill ai angen newid i weithgareddau rhatach neu am ddim, neu ddod yn llai actif.

Yn yr ymateb hwn rydym wedi canolbwyntio ar ateb cwestiynau penodol sy'n berthnasol i ni ar hyn o bryd. Byddwn hefyd yn bwydo sylwadau pellach i'r Pwyllgor Cyfathrebu, Diwylliant, y Gymraeg, Chwaraeon a Chysylltiadau Rhyngwladol ar yr amser priodol.

- Beth, yn eich barn chi, fu effaith Cyllideb 2023-2024 Llywodraeth Cymru, gan gynnwys cyllid yn ymwneud ag adfer wedi'r pandemig? A yw polisiau cefnogi busnesau Llywodraeth Cymru wedi bod yn effeithiol, o ystyried y rhagolygon economaidd ar gyfer 2024-25***

Cafodd y pandemig effaith uniongyrchol ar chwaraeon, gyda llawer o glybiau'n annhebygol o fod wedi gallu parhau heb y cymorth a gawsant drwy elfen gefnogi Cronfa Cymru Actif a gyllidwyd gan Lywodraeth Cymru. Roedd y cyllid a neilltuwyd wedyn hefyd i'r Gronfa Adfer Chwaraeon a Hamdden yn hanfodol i oroesiad llawer o weithgarwch chwaraeon yng Nghymru. Erbyn cyllideb 2023-24, roedd y sector mewn sefyllfa gref, eisoes yn adfer, ond mae'n amlwg bod cyfleusterau hamdden (elfen nad yw Chwaraeon Cymru yn gyfrifol amdani) wedi cael eu heffeithio'n fawr gan y pandemig drwy aelodaeth, newid mewn arferion a gweithlu. Ymchwiliwyd i hyn yn yr ymchwiliad diweddar i Lyfrgelloedd a Gwasanaethau Hamdden a gynhaliwyd gan y Pwyllgor Llywodraeth Leol a Thai.

Croesawyd y cymorth ariannol gyda chostau byw a ddarparwyd gan Lywodraeth Cymru ar gyfer y sector chwaraeon yn 2022-23 a 2023-24. Drwy ein perthynas â sefydliadau partner, rydym wedi nodi bod yr heriau hyn yn parhau ond, mewn rhai achosion, mae hyn wedi arwain at fwy o arloesi a chydweithredu ar draws gwahanol gyrff.

2. Sut dylai / gallai Llywodraeth Cymru gefnogi'r economi a busnes yn dilyn y pandemig, Brexit a chwyddiant a phwysau economaidd arall? Pa mor barod yn ariannol yw eich sefydliad ar gyfer blwyddyn ariannol 2024-25, sut bydd chwyddiant yn effeithio ar eich gallu i gyflawni amcanion a gynlluniwyd, a pha mor gadarn yw eich gallu i gynllunio ar gyfer y dyfodol?

Roedd newid Llywodraeth Cymru i ddarparu cyllidebau tair blynedd dangosol i'w groesawu ac yn amlwg mae'n rhoi mwy o gyfle i sefydliadau gynllunio ymhellach ymlaen. Yng nghyd-destun y gyllideb ddangosol ar gyfer 2024-25 a gyhoeddwyd ym mis Chwefror 2023, roedd Chwaraeon Cymru wedi paratoi'n ariannol ac wedi cynllunio ein gweithgareddau yn unol â hynny. Daw'r her i'r amlwg os bydd gostyngiadau sylweddol yn y cyllidebau hyn, yn enwedig yng nghyd-destun y lefelau uchel parhaus o chwyddiant. Byddem yn croesawu cyhoeddi cyllidebau dangosol treigl tair blynedd i gynorthwyo gyda chynllunio. 2024/25 yw blwyddyn olaf y gyllideb 3 blynedd ddangosol sydd wedi'i chyhoeddi, a hoffem weld cyllideb 3 blynedd ddangosol wedi'i diweddarau a chylchol gan nad yw cyllidebau blynyddol yn ddefnyddiol ac maent yn rhwystro cynllunio.

Fel llawer o gyrff cyhoeddus llai, mae gan Chwaraeon Cymru gyfran isel o gostau newidiol/dewisol ac mae'n ymgymryd â gweithgareddau dyfarnu grantiau sylweddol. O ganlyniad, mae ein gallu i leihau'r sylfaen gost yn gyfyngedig. Mae her chwyddiant (cyflog ac arall) yn parhau i'n sefydliad a'n staff hefyd.

Mewn senario o ostyngiad yn y gyllideb, byddai hyn yn ddieithriad yn golygu effaith ar y gwasanaethau effeithiol i bobl Cymru. Mae ein strategaeth wedi'i seilio ar y Weledigaeth ar gyfer Chwaraeon yng Nghymru <https://visionforsport.wales/>, a bydd ein hamcanion i weld pawb yn cael y cyfle i gymryd rhan mewn chwaraeon a gweithgarwch corfforol, heb ystyried eu cefndir economaidd-gymdeithasol, ethnigrwydd, oedran neu allu yn cael eu heffeithio yn ddieithriad. Mae'r Weledigaeth, a'n strategaeth, yn cydnabod bod bod yn actif yn rheolaidd yn gonglfaen i fywyd iach, a dylai pawb fod â'r gallu i fod yn actif.

Mae senario gostyngiad yn y gyllideb yn peryglu'r cynnydd rydym wedi'i wneud drwy newidiadau i'n model buddsoddi. Mae'r model hwn yn blaenoriaethu buddsoddiad mewn meysydd o angen ac yn canolbwyntio ar gydraddoldeb, amrywiaeth a

chynhwysiant. Mae risgiau posibl hefyd i gynaliadwyedd ariannol partneriaid darparu allweddol a gwerthfawr yn y sector chwaraeon.

Gyda llythyr cylch gwaith tymor y Llywodraeth, mae'n debygol na fydd yn bosibl cyflawni rhai pethau y mae arnom eu hangen, ac mae ansicrwydd yn y gyllideb ar gyfer 2024-25 a thu hwnt yn golygu na allwn gynllunio mor gadarn ag y byddem wedi gallu ei wneud fel arall o bosibl.

Rydym yn credu bod gan chwaraeon a gweithgarwch corfforol ran hollbwysig i'w chwarae o ran gwella iechyd pobl Cymru. Mae myrdd o astudiaethau wedi dangos yr effaith gadarnhaol y gall chwaraeon ei chael ar les corfforol a meddyliol pobl ac, er ein bod yn falch o weld y gyllideb iechyd yn cael ei diogelu a'i chynyddu, rydym yn awyddus i weld dull unedig o weithredu i sicrhau nad yw'r sector iechyd dim ond yn gwario mwy a mwy i gadw ar ben salwch, ond hefyd sicrhau bod ei gyllideb yn cael ei defnyddio'n effeithiol fel adnodd ataliol ac i atal bod angen ei wasanaethau yn y dyfodol.

Mae chwaraeon a gweithgarwch corfforol yn faes polisi allweddol sydd, o gymharu, yn rhan fechan iawn o'r gyllideb iechyd. Rydym yn credu bod buddsoddi i weld iechyd yn cael ei flaenoriaethu yn hollbwysig i iechyd hirdymor poblogaeth Cymru, mae unrhyw beth arall o ganlyniad i ostyngiadau mewn cymorth ariannol yn economi ffug.

Mae'r prif ffigurau o'n ffigurau elw cymdeithasol ar fuddsoddiad (SROI) diweddaraf, sydd i'w cyhoeddi ym mis Rhagfyr 2023, yn dangos yr effaith sylweddol y mae chwaraeon yn ei chael mewn sawl maes:

- Mae cyfanswm cyfraniad chwaraeon at iechyd yn £621m.
- Mae cyfraniad chwaraeon at les goddrychol yn £2.06bn.
- Mae cyfraniad chwaraeon at gyfalaf cymdeithasol yn £2.87bn.
- Mae cyfraniad chwaraeon at wirfoddoli yn £430m.

Mae cyfanswm cyfraniad chwaraeon fel elw cymdeithasol (heb gyfrif allbynnau economaidd fel gwariant a chreu swyddi) i Gymru bob blwyddyn yn £5.98bn. Felly, am bob £1 sy'n cael ei gwario ar chwaraeon mae elw o £4.44 i'r economi.

Yng ngoleuni'r dystiolaeth hon, mae Chwaraeon Cymru yn pryderu am effaith hirdymor unrhyw ostyngiad yn y gyllideb ar iechyd a lles poblogaeth Cymru a'r effaith gyfatebol ar wasanaethau iechyd. Yn yr un modd, yn y tymor byr, gall llai o gyfleoedd i gymryd rhan mewn chwaraeon gael effaith niweidiol gyfatebol ar salwch (meddwl a chorfforol) ac anghydraddoldeb.

Rydyn ni eisiau gweld y defnydd gorau posib o chwaraeon ar draws meysydd portffolio'r Llywodraeth, a'r budd unigryw y gall chwaraeon ei gynnig wrth gyflawni dros Gymru yn cael ei ddeall a'i adlewyrchu yn y gyllideb. Rydym hefyd eisiau sicrhau bod gallu chwaraeon i ddiogelu adnoddau prin y gwasanaeth iechyd o ran adnodd atal ac adnodd adfer a chryfhau yn cael ei wireddu a'i ddefnyddio gan y gwasanaeth iechyd a'r Llywodraeth.

3. ***Pa gamau y dylai Llywodraeth Cymru eu cymryd i helpu aelwydydd i ymdopi â chwyddiant a phroblemau costau byw? - Sut dylai'r Gyllideb fynd i'r afael ag anghenion pobl sy'n byw mewn cymunedau trefol, ôl-ddiwydiannol a gwledig ac wrth gefnogi economïau yn y cymunedau hynny?***

Yn Chwaraeon Cymru rydym yn cydnabod bod plant, pobl ifanc a'u teuluoedd sy'n byw mewn tlodi yn profi anfantais mewn sawl ffordd. Iddynt hwy nid mater o ddiffyg arian neu ddillad yn unig yw tlodi; mae mynediad i chwarae a hamdden, prydau bwyd cytbwys rheolaidd, mynediad at wasanaethau a chefnogaeth i gyd yn feysydd lle maent yn wynebu anfantais bosibl. Dyma sut mae tlodi yn dod i'r amlwg. Fodd bynnag, canlyniadau'r materion hyn yw bod tlodi plant yn cyfyngu ar ddyhead, yn cyfyngu ar brofiad bywyd ac yn arwain at lai o gyfleoedd ar gyfer y dyfodol.

Mae plant sy'n cael eu magu mewn tlodi yn profi canlyniadau iechyd, cyrhaeddiad addysgol a rhagolygon economaidd gwaeth na'u cyfoedion mwy cefnog. Rydym yn gwybod hefyd eu bod yn llai tebygol o gymryd rhan mewn gweithgareddau chwaraeon. Mae mynd i'r afael â thlodi ac anghydraddoldeb ymhlith plant a phobl ifanc yn hollbwysig nid yn unig i'w cyfle eu hunain i wneud y gorau o'u bywydau ond hefyd o ran yr hyn y gallant ei gyfrannu at y gymdeithas ehangach fel oedolion.

Yn unol â strategaeth Tlodi Plant Llywodraeth Cymru ar ei newydd wedd, rydym wrthi'n llunio ein hymateb newydd i dlodi plant a fydd yn ceisio datblygu ein gwaith ymhellach i sicrhau bod pob person ifanc yng Nghymru yn cael y cyfle i gymryd rhan mewn chwaraeon a gweithgarwch corfforol, dim ots beth yw eu cefndir economaidd.

Rydym yn credu bod angen i chwaraeon fel sector gael ei gydnabod am y rôl hollbwysig y gall ei chwarae ar draws meysydd polisi, a bod angen i chwaraeon ddod yn rhan reolaidd o'r sgwrs wrth gyflawni canlyniadau iechyd ac addysg yn ogystal â bod yn rhan o'r drafodaeth wrth edrych ar atebion cadarnhaol i broblemau trafndiaeth a gweld cyfleusterau cymunedol ar agor ac ar gael i bawb.

Er bod y dadleuon hyn yn cael eu cydnabod ar draws y Llywodraeth, mae chwaraeon yn parhau i gynrychioli swm mor fechan o gyllideb y Llywodraeth. Pe cytunid ar gydweithredu a chanlyniadau sy'n defnyddio chwaraeon, efallai y byddem yn gweld llawer mwy o elw ar fuddsoddiad yn lles pobl Cymru.

O ran heriau economaidd-gymdeithasol, yr argyfwng costau byw ac anghydraddoldebau cynyddol, mae Chwaraeon Cymru wedi addasu ffrydiau buddsoddi i ganolbwyntio ar y meysydd hyn, er enghraifft y grant arbed ynni diweddar <https://www.sport.wales/grants-and-funding/energy-saving-grant/> oedd yn cynnig cyfle unigryw i glybiau chwaraeon yng Nghymru wneud gwelliannau arbed ynni a hefyd yn helpu i fynd i'r afael ag argyfyngau hinsawdd a natur. Mae cronfa Cymru Actif <https://www.sport.wales/grants-and-funding/beactivewalesfund/> yn hyrwyddo cydraddoldeb, cynaliadwyedd ac arloesi mewn chwaraeon ac, yn ogystal, mae ein ffrwd Crowdfunder <https://www.sport.wales/grants-and-funding/crowdfunder/> sydd wedi targedu gwaith o ran mynd i'r afael ag anghydraddoldebau cynyddol, gyda 50% o brosiect yn gallu cael cyllid cyfatebol os yw wedi'i leoli yn un o ardaloedd mwyaf difreintiedig Cymru, fel y nodir ym Mynegai Amddifadedd Lluosog Cymru (MALIC).

4. ***A yw cynlluniau Llywodraeth Cymru i adeiladu economi wyrddach yn glir ac yn ddigon uchelgeisiol? A ydych chi'n meddwl bod digon o fuddsoddiad yn cael ei dargedu at fynd i'r afael â'r argyfwng newid hinsawdd a natur? A oes unrhyw fylchau sgiliau posibl y mae angen mynd i'r afael â hwy er mwyn cyflawni'r cynlluniau hyn?***

Mae buddsoddiad wedi'i dargedu'n briodol at brosiectau seilwaith ac ynni hyd yma. O ystyried bod mwyafrif yr allyriadau yn gysylltiedig â chaffael (ac yn cael eu hasesu ar sail

gwariant), byddai cymorth wedi'i dargedu i leihau allyriadau'r gadwyn gyflenwi yn cael ei groesawu hefyd.

Mae dyheadau i weithio gyda chyflenwyr lleol ond bwlch sylweddol o ran gwybodaeth a chapasiti ymhlith cyflenwyr llai o ran sut i nodi'r allyriadau carbon gwirioneddol. Mae llawer o gyfleoedd i gyfoethogi gwybodaeth yn y maes hwn – heb os, mae gan Cyd (y Ganolfan Ragoriaeth Genedlaethol ar gyfer Caffael <https://cyd.cymru/>) rôl arwyddocaol i'w chwarae yn hyn o beth.

5. A yw Llywodraeth Cymru yn defnyddio'r mecanweithiau ariannol sydd ar gael iddi ynghylch benthyca a threthiant yn effeithiol?

Nid oes gan Chwaraeon Cymru unrhyw sylwadau am y cwestiwn hwn.

6. Hoffai'r Pwyllgor ganolbwyntio ar nifer o feysydd penodol eraill wrth graffu ar y Gyllideb. Oes gennych chi unrhyw sylwadau penodol ar unrhyw un o'r meysydd a nodir isod?

– Oes digon yn cael ei wneud i fynd i'r afael â chostau byw cynyddol a chefnogi'r bobl hynny sy'n byw mewn tldi incwm cymharol?

– Sut gallai'r gyllideb fynd i'r afael ymhellach ag anghydraddoldeb rhwng y rhywiau mewn meysydd fel gofal iechyd, sgiliau a chyflogaeth?

– A yw dull Llywodraeth Cymru o ymdrin â gwariant ataliol yn cael ei gynrychioli mewn dyraniadau adnoddau (Gwariant ataliol = gwariant sy'n canolbwyntio ar atal problemau ac yn lleddfu'r galw ar wasanaethau yn y dyfodol drwy ymyrryd yn gynnar).

– Sut dylai Llywodraeth Cymru esbonio ei phenderfyniadau ariannu, gan gynnwys sut mae ei gwariant yn cyfrannu at fynd i'r afael â materion polisi?

– Sut gellir gwella'r ddogfennaeth a ddarperir gan Lywodraeth Cymru ochr yn ochr â'i Chyllideb Ddrafft?

– Sut dylai Llywodraeth Cymru flaenoriaethu ei hadnoddau i fynd i'r afael â rhestrau aros y GIG ar gyfer triniaethau GIG wedi'u cynllunio a thriniaethau nad ydynt yn rhai brys. A ydych yn meddwl bod gan Lywodraeth Cymru gynllun cadarn i fynd i'r afael â'r mater hwn?

– A yw Llywodraeth Cymru yn darparu cymorth digonol i'r sector cyhoeddus i'w alluogi i fod yn arloesol ac yn flaengar drwy bethau fel cynllunio'r gweithlu.

– A fu buddsoddiad digonol gan Lywodraeth Cymru yn seilwaith sylfaenol y sector cyhoeddus.

– A oes digon o fuddsoddiad mewn seilwaith wedi'i dargedu at bobl ifanc?

– Sut mae tystiolaeth a data yn sail i'r gwaith o bennu blaenoriaethau a dyraniadau cyllideb Llywodraeth Cymru, ac a yw'r dull hwn o weithredu yn glir?

- A yw'r cymorth a ddarperir gan Lywodraeth Cymru i sefydliadau trydydd sector, sy'n wynebu mwy o alw am wasanaethau o ganlyniad i'r argyfwng costau byw a'r pandemig, yn ddigonol?

- Beth yw'r cyfleoedd allweddol i Lywodraeth Cymru fuddsoddi mewn cefnogi economi a gwasanaethau cyhoeddus sy'n cyflawni'n well yn erbyn y nodau llesiant yn Neddf Llesiant Cenedlaethau'r Dyfodol?

Rydym yn credu bod angen edrych ar gyllidebau yn y tymor hwy, yn debyg i wledydd eraill gan gynnwys Seland Newydd, gyda mwy o ffocws ar atal. Mae'n glir y gall chwaraeon chwarae rhan arwyddocaol wrth fynd i'r afael â blaenoriaethau croestoriadol, gan gynnwys iechyd a lles (corfforol a meddyliol), anghydraddoldebau, lleihau carbon ac addysg.

Rydym yn cydnabod ei bod yn anodd cydbwysu gwariant ataliol gyda gwariant adweithiol. Rydym yn credu bod cyfran y GIG o'r gyllideb wedi tyfu i lefel a allai beryglu gwaith pwysig mewn meysydd eraill, gan gynnwys atal. Rydym yn teimlo bod cyfle hefyd i herio ac eirioli ar draws dulliau cydweithredol yn y sector cyhoeddus. Mae agendâu cyllideb a pholisi yn parhau i gael eu rhannu'n adrannau, er enghraifft chwaraeon, iechyd ac addysg.

Mae Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) yn annog penderfyniadau tymor hwy gydag atal mewn golwg, ond nid yw dyraniad y gyllideb yn cael ei ddefnyddio yn y ffordd hon.

Mae Llywodraeth Cymru ei hun wedi cydnabod y gall chwaraeon fod yr adnodd iechyd ataliol mwyaf effeithiol yn y wlad¹. Mae ein gwaith elw cymdeithasol ar fuddsoddiad (SROI) diweddar ni a gynhyrchwyd gan yr Athro Larissa Davies o Brifysgol Sheffield Hallam yn cefnogi'r ddadl y gall chwaraeon wneud cyfraniad cadarnhaol sylweddol tuag at iechyd pobl Cymru a'r economi ehangach.

Heb gyfrif allbynnau economaidd fel gwariant a chreu swyddi, mae chwaraeon yn cyfrannu £5.98bn bob blwyddyn at yr economi drwy ei effaith gymdeithasol; am bob £1 sy'n cael ei gwario ar chwaraeon, ceir elw o £4.44. Ffordd arall o feddwl am hyn yw bod tua 3.1 miliwn o bobl yng Nghymru ac mae chwaraeon yn cynnig budd sy'n werth £1,929 y flwyddyn (h.y. 5,980 miliwn / 3.1 miliwn) neu £161 y mis i bob person. Cyfraniad sylweddol at gostau byw. Wrth gwrs, mae'n llawer cymhlethach na hyn, ond ar gyfartaledd mae'n dangos bod buddsoddi i gael pobl i symud yn talu ar ei ganfed.

Drwy flaenoriaethau ein cynllun busnes, rydym yn tynnu sylw at yr effaith y gall chwaraeon ei chael ar draws sectorau niferus, gan gynnwys Iechyd ac Addysg. Yn aml, mae diffyg cydnabyddiaeth o'r cyfle i chwaraeon gyfrannu at feysydd polisi amrywiol fel iechyd ac mae hyn yn dangos bod angen eiriol dros gydweithredu traws-lywodraethol ac asiantaethau er mwyn sicrhau bod posib gwireddu gwir fanteision chwaraeon.

Yn yr Alban cafwyd ymrwymiad gan y blaid lywodraethol yn 2021 i ddyblu'r gyllideb ar gyfer chwaraeon dros gyfnod y senedd. Roedd ymgyrch glir hefyd i gynyddu cyfranogiad ymhlith merched a genethod – gyda data diweddaraf Traciwr Gweithgarwch Cymru yn dangos sut mae ymatebwyr benywaidd yn sylweddol fwy

¹ Llywodraeth Cymru, Rhagfyr 2021 <https://www.gov.wales/sites/default/files/publications/2022-01/ministers-written-evidence-to-senedd-scrutiny-committees-2022-2023.pdf>

tebygol nag ymatebwyr gwrywaidd o fod heb wneud unrhyw weithgarwch corfforol (23% o gymharu â 13%).

Byddem yn croesawu'r math yma o ymrwymiad yng Nghymru yn y dyfodol.

Mae ein canlyniadau SROI diweddaraf yn dangos yn glir bod chwaraeon yng Nghymru yn cynhyrchu gwerth sylweddol i gymdeithas ar draws sawl nod llesiant, gan gynnwys Cymru iachach, Cymru o gymunedau cydlynus, a Chymru â diwylliant bywiog lle mae'r Gymraeg yn ffynnu. Mae'r SROI hefyd yn dangos bod y gwerth a gynhyrchir gan chwaraeon yng Nghymru yn fwy na chost darparu'r cyfleoedd hynny o gryn dipyn, gan awgrymu bod buddsoddi yn y sector nid yn unig yn cyfrannu at les unigolion a chymdeithas, ond ei fod hefyd yn llesol i'r economi.

Mae gan chwaraeon fanteision i iechyd y boblogaeth ond, yn fwy na hyn, mae'r rhai ag iechyd da yn tueddu i gymryd rhan yn amlach mewn chwaraeon. Mae hyn yn bwysig wrth i bobl fynd drwy wahanol gyfnodau mewn bywyd a thrawsnewid, ac mae mabwysiadu'r arfer o fod yn gorfforol actif drwy gydol eu bywydau yn helpu i sicrhau eu bod mor iach â phosibl drwy gydol eu hoes.

- Yng Nghymru mae 39% o oedolion yn cymryd rhan mewn chwaraeon deirgwaith neu fwy yr wythnos, ac mae hyn yn cynyddu i 46% ar gyfer oedolion sydd ag iechyd da neu dda iawn. Mae gan 86% o oedolion sy'n cymryd rhan yn llai aml iechyd gwael neu wael iawn (NSW 2022-23).
- Dangoswyd bod cysylltiad cadarnhaol rhwng cyfranogiad mewn chwaraeon a nifer o ymddygiadau ffordd o fyw iach – mae'r rhain yn cynnwys peidio ag ysmegu, bwyta pum dogn neu fwy o ffrwythau / llysiau bob dydd, cynnal pwysau / BMI iach, a bod yn gorfforol actif am o leiaf 150 munud (NSW 2016-17; NSW 2018-19).

Pwyntiau Cryno Allweddol

- Rydym yn credu y dylid manteisio i'r eithaf ar chwaraeon ar draws meysydd portffolio'r Llywodraeth, a bod y budd unigryw y gall chwaraeon ei gynnig wrth gyflawni dros Gymru yn cael ei ddeall a'i gydnabod yn y gyllideb.
- Rydym yn dymuno gweld cyllidebau atal iechyd yn ystyried chwaraeon a gweithgarwch corfforol fel dull o gyflawni eu canlyniadau a phwlio cyllidebau lle mae eraill mewn gwell sefyllfa i gyflwyno gweithgarwch.
- Rydym yn credu bod angen golwg hirdymor barhaus ar gyllidebu gyda mwy o ffocws ar atal.

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 46 : Ymateb gan: Chwaraeon Cymru | Response from: Sports Wales



Finance Committee – Sport Wales Response

1. Sport Wales Response to the Finance Committee's inquiry into the draft budget 24/25:

Sport Wales is the national organisation responsible for developing and promoting sport and physical activity in Wales at both community and elite levels. We are financed by annual funding from the Welsh Government and from income generated from our own activities. We are the main adviser on sporting matters to the Welsh Government and are responsible for distributing Government and National Lottery funding to sport in Wales.

Sport Wales is one of the smallest public bodies in Wales and our budget is comprised of running costs, grant funding for National Governing Bodies, national partners and local authorities to deliver sport, but also community sport – investing and growing local opportunities for clubs and societies to serve the needs of their local communities.

We are one of the 44 public bodies in Wales which are subject to the Wellbeing of Future Generations (Wales) Act; we meet our duties under the Welsh Language Standards and care deeply about our place in Welsh society and culture. We work closely with the Older People's and Children's Commissioners and filter all our work through the lens of equality, diversity and inclusion.

We strive to be the best we can be and give the best we can offer to all people along the sporting pathway, from children starting out, to medal-winning athletes, to a diverse career path in the sporting sector, to older people staying fit, healthy and independent.

Response

Sport Wales welcomes the opportunity to respond to the Finance Committee's consultation into the draft budget. We realise there are clear **economic challenges (e.g., cost of living, increasing poverty and inequality)** that are affecting the population – however, participation in sport is already significantly skewed against inequality and low incomes, so there is a risk that this situation will deteriorate even further should there be a reduction in the Sport Wales budget.

Recent statistics from the latest [Wales Activity Tracker](#) show the impact the cost-of-living crisis has on sport and physical activity, such as the fact that 40% of respondents to this representative survey agree that the cost-of-living crisis has had a negative impact on their ability to be active. Those under 55, women and parents are most affected, either needing to switch to cheaper or free activities, or becoming less active.

In this response we have focused on answering specific questions that we believe are relevant to us at this stage. We will also feed in further comments to the Communications, Culture, Welsh Language, Sport and International Relations committee at the appropriate time.

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective, given the economic outlook for 2024-25?

The pandemic had an immediate impact on sport, with many clubs unlikely to have been able to carry on without the support they received through the Welsh Government-funded support strand of the Be Active Wales Fund. The funds which were then also allocated to the Sport and Leisure Recovery Fund were also critical to the survival of much sporting activity in Wales. By the time of the 2023-24 budget, the sector was in a strong position, already in recovery, however it is clear to say that leisure facilities (something which Sport Wales is not responsible for) have been highly impacted by the pandemic through membership, changing habits and workforce. This was investigated by the recent Libraries and Leisure Services inquiry undertaken by the Local Government and Housing Committee.

The cost-of-living financial support provided by Welsh Government for the sport sector in 2022-23 and 2023-24 was welcome. Through our relationships with partner organisations, we have noted that these challenges persist but, in some cases, this has led to enhanced innovation and collaboration across different bodies.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? How financially prepared is your organisation for the 2024-25 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

The Welsh Government's switch to providing indicative three-year budgets was welcome and obviously gives more opportunity for organisations to plan further ahead. In the context of the indicative budget for 2024-25 published in February 2023, Sport Wales was financially prepared and had planned our activities accordingly. The challenge emerges if there are significant reductions in these budgets, particularly in the context of the continued high levels of inflation. We would welcome the publication of three year rolling indicative budgets to aid planning. 2024/25 is the final year of the indicative 3 year published budget, we would wish to see an updated and recurring indicative 3 year budget as annualised budgets are not helpful and hinder planning.

Sport Wales, like many smaller public bodies, has a low proportion of variable/discretionary costs and undertakes significant grant making activities. As a consequence, our ability to reduce the cost base is limited. The challenge of inflation (pay and non-pay) also persists for our organisation and our staff.

In a budget reduction scenario, this would invariably mean that effective services to the people of Wales is impacted. Our strategy is built on the Vision for Sport in Wales <https://visionforsport.wales/>, and our objectives to see all people have the opportunity to access sport and physical activity no matter their socioeconomic background, ethnicity, age or ability will invariably be impacted. The Vision, and our strategy, recognises that being active regularly is a cornerstone in a healthy life, and everyone should have the ability to be active.

A budget reduction scenario jeopardises the progress that we have made through changes to our investment model. This model prioritises investment into areas of need

and focuses upon equality, diversity and inclusion. There are also potential risks to the financial sustainability of valued key delivery partners within the sport sector.

With a term of Government remit letter, it is likely that certain deliverables required of us may not be possible, and budget uncertainty for 2024-25 and beyond means that we cannot plan as robustly as we might otherwise have been able to do.

We believe that sport and physical activity has a crucial role to play in improving the health of the people of Wales. A myriad of studies have shown the positive impact sport can have on people's physical and mental wellbeing and whilst we're glad to see the health budget protected and increased, we are eager to see a joined-up approach to ensure the health sector is not just spending more and more to keep up with ill-health but also ensuring that its budget is being used effectively as a preventative tool and to stop its services being needed in the future.

Sport and physical activity is a key policy area which comparatively is a very small part of the health budget. We believe that investing to see health prioritised is crucial to the long-term health of the population of Wales, anything otherwise as a result of reductions in financial support is a false economy.

The headline figures from our latest social return on investment (SROI) figures, which is due to be published in December 2023, shows the significant impact that sport has in several areas:

- Total contribution for sport to health is £621m.
- Sport contribution to subjective wellbeing is £2.06bn.
- Sport contribution to social capital is £2.87bn.
- Sport contribution to volunteering is £430m.

Total contribution as a social return (not counting economic outputs like spend and job creation) to Wales from sport annually is £5.98bn. So, for every £1 spent on sport there is a return of £4.44 to the economy.

In light of this evidence, Sport Wales is concerned at the longer-term impact of any budget reduction on the health and wellbeing of the population of Wales and the corresponding impact on health services. Similarly, in the short-term, reduced opportunities to participate in sport may have a corresponding adverse impact on illness (mental and physical) and inequality.

We want to see sport maximised across Government portfolio areas, and the unique benefit sport can play in delivering for Wales to be understood and reflected within the budget. We also want to ensure that sport's ability to protect the health service's scarce resources both from a prevention and from a recovery and strengthening tool is realised and utilised by the health service and Government.

3. ***What action should the Welsh Government take to help households cope with inflation and cost of living issues?– How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?***

At Sport Wales we recognise that children, young people and their families living in poverty experience disadvantage in many ways. For them poverty is not just about not having enough money or clothes; access to play and leisure, regular balanced meals,

access to services and support are all areas where they face potential disadvantage. These are just the manifestations of poverty. However, the outcomes of these issues are that child poverty limits aspiration, curtails life experience and results in fewer opportunities for the future.

Children growing up in poverty experience worse health outcomes, educational attainment and economic prospects than their more affluent peers. We also know that they are less likely to participate in sporting activities. Addressing poverty and inequality among children and young people is crucial not only to their own opportunity to make the most of their lives but to what they are able to contribute to wider society as adults.

In line with Welsh Government's refreshed Child Poverty strategy, we are in the process of formulating our new response to child poverty which will aim to further develop our work in ensuring that every young person in Wales has the opportunity to participate in sports and physical activity, no matter their economic background.

We believe that sport needs to be recognised for the crucial role it can play across policy areas, and that sport needs to become a regular part of the conversation in delivering health and education outcomes as well as part of the discussion when looking at positive solutions to transport issues and seeing community facilities being open and available to all.

Whilst these arguments are recognised across Government, sport still represents such a small amount of Government's budget. If collaboration and outcomes using sport were agreed, we might see a much greater return on investment in the wellbeing of people in Wales.

In terms of socioeconomic challenges, the cost-of-living crisis and growing inequalities, Sport Wales has adapted investment streams to focus on these areas, for example the recent energy saving grant <https://www.sport.wales/grants-and-funding/energy-saving-grant/> which offered sport clubs in Wales a unique opportunity to make energy saving improvements whilst also helping to tackle the climate and nature emergencies. The Be Active Wales fund <https://www.sport.wales/grants-and-funding/beactivewalesfund/> promotes equality, sustainability and innovation in sport and in addition, our Crowdfunder stream <https://www.sport.wales/grants-and-funding/crowdfunder/> that has targeted work in terms of tackling growing inequalities with 50% of a project able to be matched funded if they are based in one of the most deprived areas of Wales, as identified by the Welsh Index of Multiple Deprivation (WIMD) data.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Investment has been rightly targeted at infrastructure and energy projects to date. Given that the majority of emissions are linked to procurement (and assessed on a spend basis), targeted support at reducing supply chain emissions would also be welcomed.

There are aspirations to work with local suppliers but a significant knowledge and capacity gap from smaller suppliers on how to identify the actual carbon emissions. Lots of opportunities to enhance knowledge in this area – Cyd (the National Procurement Centre of Excellence <https://cyd.cymru/>) undoubtedly has a significant role in this.

5. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

Sport Wales has no comment on this question.

6. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

- Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?
- How could the budget further address gender inequality in areas such as healthcare, skills and employment?
- Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).
- How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?
- How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?
- How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?
- Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.
- Has there been adequate investment from the Welsh Government in basic public sector infrastructure.
- Is there enough infrastructure investment targeted at young people?
- How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?
- 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?

- 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?

We believe that there is a need to take a longer-term view of budgets, similar to other nations including New Zealand, with a bigger focus on prevention. It's clear that sport can play a significant role in addressing intersectional priorities, including health and wellbeing (physical and mental), inequalities, carbon reduction and education.

We recognise that it's difficult to balance preventative spend vs reactive spend. We believe that the NHS proportion of the budget has grown to a level that could jeopardise important work in other areas, including prevention. We feel there is also an opportunity to challenge and advocate across collaborative approaches in the public sector. There remains a compartmentalisation of budget and policy agendas, for example between sport, health and education.

The Wellbeing for Future Generations (Wales) Act encourages longer term decisions with prevention in mind, but the allocation of the budget is not being used in this way.

The Welsh Government have themselves recognised that sport can be the most effective preventative health tool in the country¹. Our recent social return on investment (SROI) work produced by Professor Larissa Davies of Sheffield Hallam University supports the argument that sport can make a significant positive contribution on both the health of people in Wales and the wider economy.

Not counting economic outputs like spend and job creation, sport annually contributes £5.98bn to the economy through its social impact; for every £1 spent on sport there is a return of £4.44. Another way of thinking of this is that there are approximately 3.1 million people in Wales and sport benefits each person to the sum of £1,929 each year (i.e. 5,980 million / 3.1 million) or £161 a month. A significant contribution to the cost of living. Of course, it is a lot more complex than this, but on average it shows that investment into getting people moving pays off.

Through our business plan priorities, we highlight the impact sport can have across multiple sectors, including Health and Education. There is often a lack of acknowledgement for the opportunity for sport to contribute in various policy areas such as health and this shows a need to advocate for cross-government and agency collaboration to ensure sport's true benefits can be realised.

In Scotland there was a commitment made by the governing party in 2021 to double the budget for sport over the course of parliament. There was also a clear drive to increase participation amongst women and girls – with our latest Wales Activity Tracker data showing how female respondents are significantly more likely than male to have done no physical activity (23% vs. 13%).

We would welcome this type of commitment in Wales in the future.

Our latest SROI results demonstrate clearly that sport in Wales generates considerable value to society across several wellbeing goals including A healthier Wales, A Wales of

¹ Welsh Government, December 2021 <https://www.gov.wales/sites/default/files/publications/2022-01/ministers-written-evidence-to-senedd-scrutiny-committees-2022-2023.pdf>

cohesive communities, and A Wales of vibrant culture and thriving Welsh language. The SROI also demonstrates that the value generated by sport in Wales is greater than the cost of providing those opportunities by some margin, suggesting that investment in the sector not only contributes to the wellbeing of individuals and society, but it is also good for the economy.

Sport has benefits for the health of the population but more than this, those with good health tend to participate more often in sport. This is important as people pass through various life stages and transitions, and having a habit of being physically active throughout helps to ensure they are as healthy as possible throughout their lives.

- In Wales 39% of adults take part in sport three or more times a week, and this increases to 46% for adults with good or very good health. 86% of adults who take part less frequently have bad or very bad health (NSW 2022-23).
- Sport participation has been shown to be positively associated with multiple healthy lifestyle behaviours – these include not smoking, eat five or more portions of fruit/vegetables daily, maintaining a healthy weight/BMI, and being physically active, for at least 150 mins (NSW 2016-17; NSW 2018-19).

Key Summary points

- We believe sport should be maximised across Government portfolio areas, and the unique benefit sport can play in delivering for Wales is understood and recognised in the budget.
- We wish to see health prevention budgets consider sport and physical activity as a method for delivering their outcomes and pool budgets where others are better placed to deliver activity.
- We believe there is a need for a continuous long-term view on budgeting with a bigger focus on prevention.

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 47 : Ymateb gan: Cymorth Cymru (Saesneg yn unig) | Response from: Cymorth Cymru (English only)



Senedd Finance Committee Consultation

Welsh Government Draft Budget 2024-25

A response from Cymorth Cymru

November 2023

1. Introduction

- 1.1. We are grateful for the opportunity to respond to the Finance Committee’s consultation on the Welsh Government’s Draft Budget for 2024-25.
- 1.2. Cymorth Cymru is the representative body for providers of homelessness, housing and support services in Wales. We act as the voice of the sector, influencing the development and implementation of policy, legislation and practice that affects our members and the people they support.
- 1.3. We are extremely proud to represent approximately 90 organisations that provide homelessness, housing and support services across Wales. This includes third sector support providers, housing associations and local authority teams. Our members deliver a wide range of services that support people to overcome tough times, rebuild their confidence and live independently in their own homes. This includes people experiencing or at risk of homelessness; young people and care leavers; older people; people fleeing violence against women, domestic abuse or sexual violence; people living with a learning disability; people experiencing mental health problems; people with substance use issues; and many more.
- 1.4. This consultation response focuses on three areas of the Welsh Government budget:
 - **Housing Support Grant** (page 2)
 - **Learning Disability Supported Living Services** (page 9)
 - **Increasing and improving social housing supply** (page 11)

2. Housing Support Grant

- 2.1. Everyone has the right to a safe and stable home. Housing support services play a vital role in preventing and alleviating homelessness, helping tens of thousands of people every year to recover from trauma and to live safely and independently in their home. However, services have been under constant pressure over the last decade, with funding constraints, huge growth in demand, and an increase in complexity of support needs, all pushing the sector closer and closer to breaking point.
- 2.2. Over the last few weeks we have been collecting evidence from providers of homelessness and housing support services in Wales. We received data from 32 organisations, including small charities operating in one or two local authorities, larger charities operating regionally or nationally, and housing associations. These organisations provide the majority of homelessness and housing support services in Wales and we are therefore confident that our data is representative of the sector.
- 2.3. The information we have collected evidences the significant pressure and challenges facing services and organisations following the real terms cut to the Housing Support Grant budget for 2023/24. It also provides an incredibly concerning insight into the likely impact of any further cuts (real terms or cash terms) next year.
- 2.4. **As the Welsh Government makes key decisions about its budget for 2024/25, the message from the homelessness and housing support sector is clear: The Housing Support Grant must be increased or there is a real risk of system collapse.**

The importance of the Housing Support Grant

- 2.5. The Housing Support Grant (HSG) funds the vast majority of homelessness and housing-related support services in Wales, including tenancy support, supported accommodation, domestic abuse refuges, Housing First, and much more.
- 2.6. It plays a key role in preventing homelessness, helping people who are at risk of eviction to overcome challenges and remain in their home. It also provides a range of emergency and supported accommodation for people who are homeless or fleeing abuse and violence. These services are critical to helping local authorities to respond to people's needs and meet their legal obligations to provide accommodation and support.
- 2.7. Housing support services are critical to ending homelessness. The recently published Ending Homelessness White Paper sets out a series of legislative reforms that will improve the prevention of, and response to, homelessness in Wales. However, the Expert Review Panel that recommended these reforms has been very clear that an increase in housing support services will be required to support implementation. This has been echoed by key stakeholders across Wales since the publication of the White Paper.
- 2.8. Housing support services reduce pressure on other public services. In addition to preventing homelessness, the Housing Support Grant also reduces pressure on a myriad of public services, by reducing hospital admissions, supporting people's mental health, avoiding social services interventions and preventing people from going to prison.
- 2.9. [Research](#) conducted by Cardiff Metropolitan University found that every £1 invested in HSG services delivers £1.40 net savings to public services in Wales, including health, social care and criminal justice services. The Housing Support Grant is an excellent example of an invest-to-save intervention.

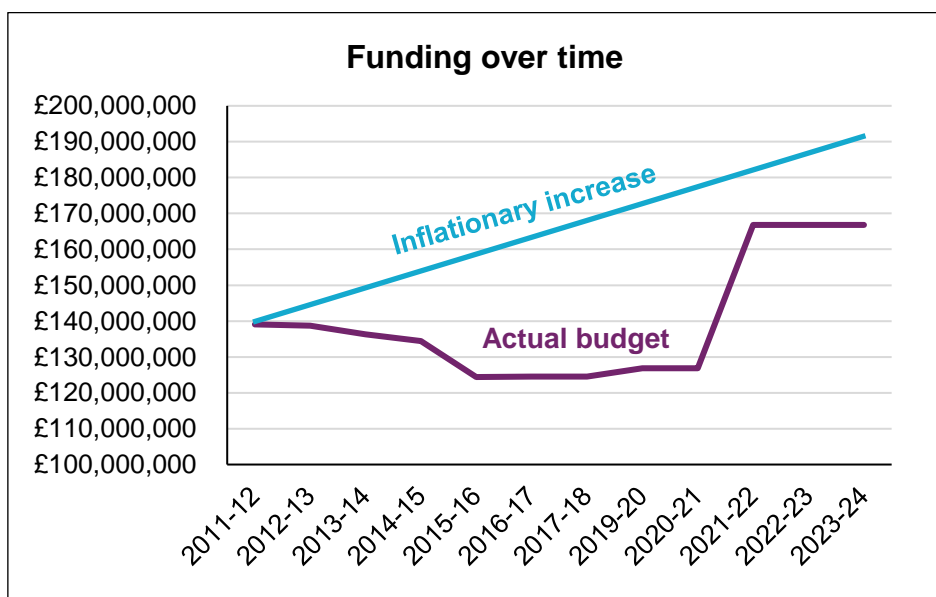
Increased demand and complexity

- 2.10. The pressure on the homelessness and housing support system has never been greater. Welsh Government [statistics](#) show that 135 people were sleeping rough and 11,228 people were in temporary accommodation on 30 September 2023. Many of these people will need support to leave the streets, help them cope in temporary accommodation, and then move into a settled home. Housing support services are also playing a key role in preventing even more people from entering temporary accommodation.
- 2.11. Evidence we have collected from support providers demonstrates that demand for homelessness and housing support services has increased over the last year, as well as the complexity of people's support needs.
- **81% said demand for their services had increased since last year**
 - **94% said the complexity of support needs had increased since last year**

"The freeze in grant last year was a disaster. We are currently operating in an environment where Local Authorities are struggling to deal with the demands of homelessness. At the same time, we have seen an increase in complex mental health issues which our Health Board is unable to deal with. I am seeing a rise in safeguarding incidents / referrals and the whole system is on the brink of collapse. Unless services are funded properly, providers will start walking away as we need to ensure services are safe for residents and staff."

Decreasing budgets and increased costs

- 2.12. In 2011/12 the Supporting People budget was £139million. During a decade of austerity, it endured a series of cuts and was reduced to £124million in 2015/16. In 2018, it was merged with two other grants to form the Housing Support Grant, with a total budget of £126million. During the pandemic it was increased to £167million to reflect the increased pressure on services as a result of the 'everyone in' approach. It has remained at that level ever since.
- 2.13. In real terms, the budget has reduced by £24million since 2012. Once inflation is considered, £139million in 2012 equates to approximately £191million today. The current Housing Support Grant budget is £24million less than this - and we know that pressure on services has increased significantly over the last decade.



Increased costs of delivering services

- 2.14. The data collected from support providers shows that the cost of delivering homelessness and housing support services has increased by an average of 11% since last year. This includes higher rents, utility costs and wages – with many support providers having to deliver unfunded wage increases to meet minimum wage requirements.

Subsidising services due to funding shortfall

- 2.15. **A shocking 75% of providers told us that their HSG services are running at a deficit.** The funding they receive from local authorities is not meeting the cost of delivery. They are desperately trying to keep services running because they care about the people they support, but this is putting extreme pressure on organisations and is simply unsustainable.
- 2.16. The following table shows the proportion of providers currently subsidising their housing support services from other sources, including 52% which are doing so from their reserves.

Have you had to subsidise your HSG services from any of the following sources?	
Fundraising revenue	28%
Reserves	52%
Cross-subsidy from other HSG contracts	17%
Cross-subsidy from other parts of the organisation	52%
Cost savings from last year	38%

- 2.17. Support providers are clear that this is not sustainable. Most organisations cannot afford to subsidise services in the future and will need to hand back contracts if the funding deficit is not resolved. The Boards of these organisations are becoming increasingly concerned about these deficits and some have told their staff to hand back contracts if this continues.

“We have committed to funding the shortfall from reserves but this will be unsustainable past 2025.”

“There is a real risk to us as an organisation and our ability to remain a going concern. We have always had healthy reserves, but this has been decimated as a result of us having to prop up HSG services.”

“As part of the budgets for this year we have used reserves to breakeven, hence no reduction in service delivery / redundancies, however we do not have the financial capacity to continue to subsidise HSG contracts.”

Impact on service delivery in 2023/24

- 2.18. We asked support providers about the impact of the cash-flat Housing Support Grant budget for 2023/24 and whether it had affected service delivery, contracts and staffing.
- 2.19. **45% said they had chosen not to bid for a new or re-tendered contract since the HSG budget was confirmed for this year.** This is predominantly down to local authorities not being able to provide enough funding to cover the true costs of delivering services. As outlined above, support providers are seriously considering the financial risk to their organisation of continuing or starting new services. They have also told us they are not prepared to put safety and quality at risk by bidding for contracts that do not cover the true costs of running a high-quality service. Local authorities have told us that they are seeing fewer providers bidding for contracts and are becoming increasingly concerned about not being able to award contracts.

“We are due to have our supported housing contract cut and looking to re-tender for a new contract we will have to give serious consideration to costings and will be unlikely to deliver what we have done in the new contract proposal due to inflation, cost of living, energy prices, staff retention and training requirements.”

“We have one service coming up for retender, with that and tight budgets in our services generally, having to give a non-consolidated pay rise was hard - we had to balance viability v, jobs and services. Our hostels and projects are also costing a lot more to run with increases in expenditure across the board, utilities, repairs and other services.”

- 2.20. **27% of providers said they have had to reduced service capacity.** The reduction in service capacity is very concerning at a time when demand for services is increasing. This means that people have to wait longer to access support, hindering efforts to prevent homelessness or make it brief and unrepeatable.

“We have already removed most non-essential costs from the budget in previous years so now it is a case of reducing the number of units/hours delivered or making people redundant.”

“Following the funding freeze, we have already seen a reduction in the number of hours we have been allocated with some of the people we support losing funding. Going forward, unless there is a real terms increase in funding, our services will be squeezed and there will be a gap between the hours individuals are assessed as needing and the funding available for those hours.”

- 2.21. **66% of support providers are having to operate waiting lists.** If people are not able to access help immediately, their crisis will worsen and they become at greater risk of becoming homeless or remaining homeless for longer.
- 2.22. **27% had undertaken a recruitment freeze or left vacant staff positions unfilled.** Recruitment freezes and leaving vacant staff positions unfilled is likely to increase the workload of the remaining staff, who are already under huge pressure. This poses a further risk to the retention of staff when the sector desperately needs to increase capacity. It is also likely to result in people receiving fewer support hours, as individual staff members are supporting greater numbers of people.

Cuts to ‘non-essential’ service delivery

- 2.23. 50% of providers said that the real terms cut to the HSG had led to cut backs in ‘non-essential’ elements of service delivery that would be recognised as preventative, good practice or beneficial to people using services. This includes:
- Activities and engagement opportunities for people using services
 - Therapeutic services for people using services
 - One-to-one support for people using services
 - Support to help people move into independent accommodation
 - Specific work with marginalised groups
 - Embedding psychologically informed environments
 - Clinical supervision for staff
 - Staff training, development, accreditation and qualifications
- 2.24. It is very concerning to see cuts to valuable support for people using services, as well as support and training to help staff to develop their skills and resilience.

Staff pay, recruitment and retention

- 2.25. In January 2023, Cymorth conducted surveys with service providers and frontline homelessness and housing support staff. The data revealed that 29% of staff working in services funded by the Housing Support Grant were being paid below the upcoming minimum wage, which would apply from April 2023. The lack of additional funding for the Housing Support Grant in 2023/24 means that the majority of service providers have had to increase staff wages without receiving additional funding to cover this cost.
- 2.26. In our survey of providers in September 2023, **91% said their HSG funding had not been increased by enough to cover the necessary increase in staff wages**. Some providers have quoted additional costs of £600,000 to fund staff pay increases this year.
- 2.27. The UK Government's recent announcement of a 10% increase to the National Living Wage will provide further financial challenges for support providers if HSG funding is not increased by the same rate. The majority want to pay at least the Real Living Wage, but some will struggle to uplift salaries to the National Living Wage without further funding.

"There is also a continued and increasing risk to our ability to attract the right people into the workforce as salaries are increasingly left behind. We are committed to the Real Living Wage, but even meeting the National Living Wage is becoming harder to do."

- 2.28. Low wages are having a worrying impact on frontline workers, with many facing the same challenges as the people they are supporting. Data collected from frontline homelessness and housing support workers in January 2023 showed that:
- 86% were not putting on the heating in order to save money
 - 56% were struggling to pay bills
 - 18% were struggling to pay their rent
 - 12% were feeling at greater risk of homelessness
 - 9% were using food banks
- 2.29. Many frontline workers said they were skipping meals and taking on additional jobs on top of their full-time support roles, due to the low pay. Some were considering leaving careers they love because they can no longer make ends meet, with several people highlighting better paid jobs in retail and delivery services which came with much less stress.

Impact on recruitment and retention

- 2.30. In our recent survey of support providers, 72% said the lack of an inflationary increase this year had a negative or very negative impact on their ability to recruit and retain staff.

"The lack of increased funding in HSG services over the past 5 years has made recruitment and retention of staff extremely difficult in this area of work. The knock-on effect in terms of staff satisfaction and morale is also evident."

"Recruitment and retention is dire in the sector because contract values are so low."

"Recruitment has been a significant challenge and we're seeing increased turnover of staff due to the cost of living crisis, where colleagues cannot afford to continue working in the sector. Ever changing teams has a huge impact on the quality of services and pressure on managers."

"Colleagues are sometimes needing to work 2 jobs in order to meet their financial commitments [...] We are asking for skilled, experienced, compassionate workers but we are not able to pay for their expertise."

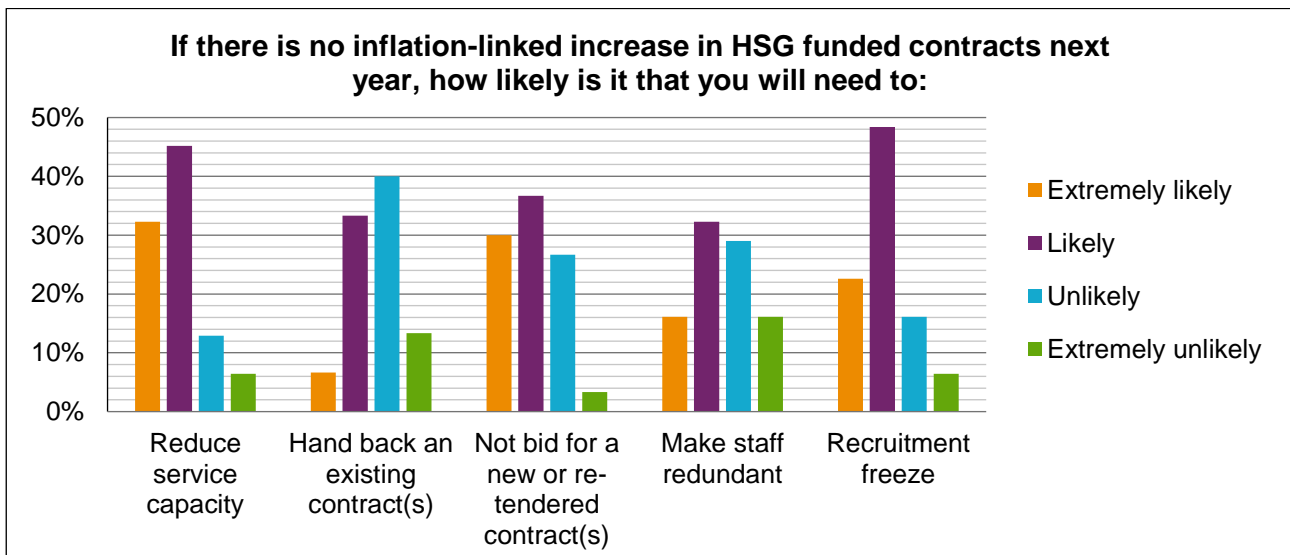
Looking to the future: HSG budget 2024/25

2.31. The evidence outlined above is extremely concerning. However, the impact of continued funding restrictions next year could make the situation significantly worse. We asked support providers to consider the impact of two potential scenarios for 2024/25.

Scenario 1: A cash-flat settlement (no inflationary increase):

2.32. Our survey of support providers found that:

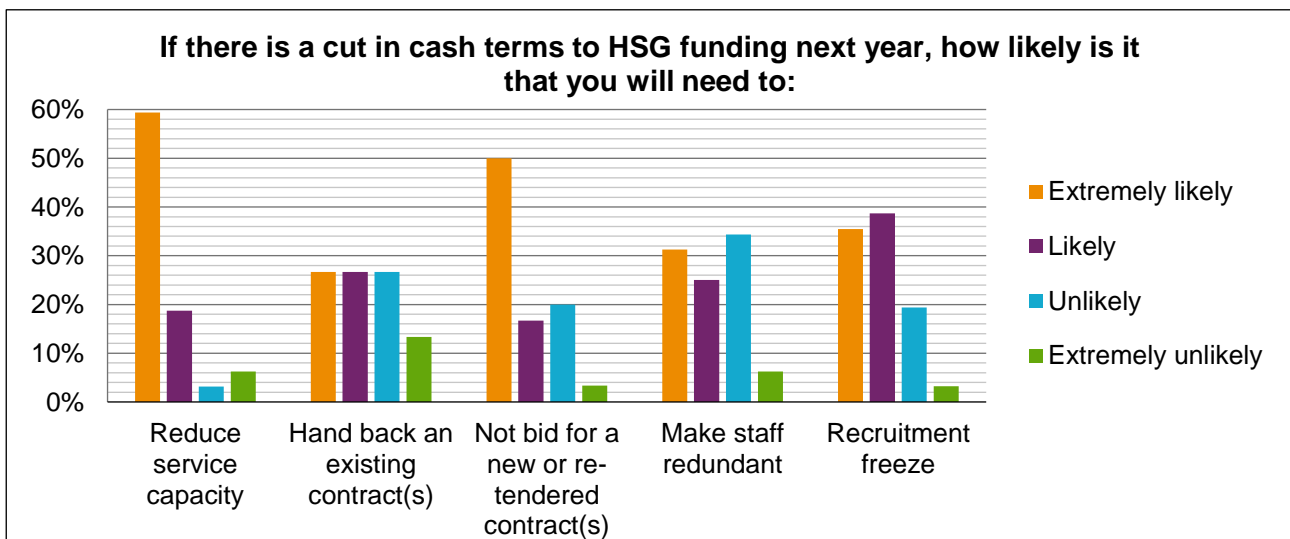
- 77% said they were extremely likely or likely to have to reduce service capacity
- 40% would be extremely likely or likely to have to hand back existing contracts
- 67% would be extremely likely or likely to not bid for new or re-tendered contracts
- 48% would be extremely likely or likely to make staff redundant
- 71% would be extremely likely or likely to have a recruitment freeze



Scenario 2: A cut in cash terms:

2.33. Our survey of support providers found that:

- 78% said they were extremely likely or likely to have to reduce service capacity
- 53% would be extremely likely or likely to have to hand back existing contracts
- 67% would be extremely likely or likely to not bid for new or re-tendered contracts
- 56% would be extremely likely or likely to make staff redundant
- 74% would be extremely likely or likely to have a recruitment freeze



2.34. For each indicator, the percentage of respondents selecting 'extremely likely' in scenario 2 (a cut in cash terms) increased significantly compared to the cash-flat budget scenario.

"Any cut will decimate service across Wales. There is no wiggle room for any providers, especially those who are charities."

"Ultimately if things continue as they are, ours are other similar services will have no option but to close."

"If the WG HSG budget is cut or not inflation-linked increased, [our] ability to assist the local authorities with their homeless prevention, accommodation and support duties will be severely impaired."

"As a landlord we work with a lot of managing partners, who are also struggling - the impact on them and us could be huge, from the point of view of buildings (which ideally we also need to invest in) and people."

Conclusion

2.35. In order for the Welsh Government to achieve its ambition of making homelessness rare, brief and unrepeated, it must increase investment in the Housing Support Grant.

2.36. Services have faced significant increases in costs, despite the real-terms funding cut - from staff wage increases to meet minimum wage requirements, to increases in rent and energy costs for supported accommodation. At the same time, demand for services has increased, along with the complexity of support needs.

2.37. The impact on service delivery is clear from the evidence above, but it will get substantially worse if funding is not increased. A large proportion of organisations are running their housing support services at a deficit, subsidising them using their own reserves or other forms of funding. This is not sustainable, and the proportion of organisations having to hand back contracts or being unable to bid for contracts will increase if there is no additional funding for the HSG. There is a very real risk that this may lead to system collapse and people being unable to access the support they need.

2.38. This response outlines the direct impact on homelessness and housing support services, but we are in no doubt that continued cuts will have an impact on a wide range of public services. [Research](#) by Cardiff Metropolitan University shows that housing support services deliver an estimated net saving to health, social care and criminal justice services of £1.40 for every £1 invested in the Housing Support Grant.

"We have been warning about the impact of no inflation increases for years. Our warnings [are] now becoming reality. Services will close, providers will fold and the impact on statutory services will be huge, because, as is well documented, HSG services keep people safe, well and prevent the need to access services such as A&E, reduce crime and ASB etc."

2.39. It is critical that the Welsh Government increases the Housing Support Grant in the Welsh budget for 2024/25.

3. Learning Disability Supported Living Services

- 3.1. Cymorth also represents our members who provide housing and support services to people with learning disabilities, including but not limited to Supported Living services. These are usually delivered alongside or with support from social housing providers.
- 3.2. It is important to note the differences between Supported Living Settings and Care Homes. Supported Living is, essentially, people with learning disabilities living either alone or with small numbers of other people with learning disabilities, in their own tenancies, with support of varying intensity depending on their needs. Some care is provided alongside support, but often the support is as much about enabling people in supported living to socialise, engage in hobbies, travel to work, etc, as it is about physical care. The model enables people to live in their own homes and live fulfilled lives, rather than being in more restrictive care settings.
- 3.3. The distinction between care and support can sometimes be blurred, but it is more relevant within supported living because some services are still funded through the Housing Support Grant, alongside social care funding. Many support providers receive both sets of funding which means having to report outcomes and comply with terms and conditions for both sets of commissioners.

Real Living Wage

- 3.4. The Welsh Government made a commitment in its Programme for Government to pay care workers the Real Living Wage (RLW), something that our members believe should be the bare minimum for the skilled work their staff undertake.
- 3.5. Some of our members have told us how the commitment to the RLW to date has ensured that their workforces have remained relatively stable compared to other nations. However, others recognise that despite the commitment to the RLW, many of these roles remain low paid and therefore looking after our most vulnerable people is still perceived as low value.
- 3.6. On the 24th October 2023 the Real Living Wage Foundation announced that the new RLW would be £12 per hour, and increase of more than 10%. Our members are very supportive of this increase, but are concerned about whether the Welsh Government will be able to fund it. If sufficient funding is not made available to providers, they will be unable to meet the commitment to paying the RLW, or will have to reduce capacity to pay higher wages.
- 3.7. Care and support providers want to see a clear commitment from Ministers that they will continue funding the uplift in care worker salaries in line with the RLW during 2024/25, and would like to see this extended this to non-registered services. Confirmation of this in the draft budget will enable services to plan appropriately for the next financial year, with many setting their organisational budgets over the coming weeks and months.
- 3.8. Any uplift to the social care budget must also address differentials within the structure of services. Maintaining an appropriate pay differential for managers is critical to recruiting and retaining people at manager level, especially with the responsibilities associated with management within registered services. There are sector wide challenges on recruiting and retaining colleagues, and whilst the RLW commitment is very welcome, the differentials within the structures are closing and there is limited room in the uplift to pass on increases to these roles. There will be long term challenges in recruiting managers and senior workers in an already challenging time if this is not addressed, and meeting the Welsh Government's desire for workforce planning will be extremely difficult.

- 3.9. With an ageing population and a rising demand for social care, Wales needs a sustainable social care workforce supported by a Real Living Wage that offers job security and recognition. The sector needs support to offer fair pay and terms and conditions in order to build sustainable services that can focus on quality and consistency of care.

Day services

- 3.10. The COVID-19 pandemic saw the closure of many day services in Wales and some of our members have raised concerns that these have not re-opened. Whilst day services are not for everyone, the absence of this provision has reduced the opportunities for some people to have social interaction, engage in activities and reduce social isolation.
- 3.11. Third sector support providers have had to try and fill the gaps left by the closure of day services and have created hugely engaging opportunities for people. However, this should be provided by the local authority. Our members believe that further investment must be made to properly consult on the re-opening of day service provision and co-produce alternative models where appropriate.

Commissioning

- 3.12. While the focus of this inquiry is on the Welsh Government's Draft Budget, it would be remiss of us not to mention the impact that restricted budgets can have on commissioning, and subsequently how this affects frontline services and whether the government's spending intentions can be realised.
- 3.13. A common concern among our members is that commissioning processes can often focus too heavily on cost at the expense of quality. When budgets are limited, the cost of a service can play a much bigger role in commissioning decisions, and this can sometimes be to the detriment of quality. Competitive tendering can drive prices down, particularly wages, and fail to recognise the value in employing well paid, skilled staff to deliver high quality services.
- 3.14. In addition, the monitoring and reporting requirements from commissioners can add burdens to frontline staff and organisations as a whole, when they would rather direct their limited resources to service delivery. Cymorth Cymru has regularly championed a more flexible approach to commissioning, as well as clear commitment from LAs and other commissioners to full cost recovery for providers. If providers need to be more efficient, then the demands from commissioners should reduce accordingly. However, if monitoring and reporting requirements are important for quality assurance, providers should be properly resourced to meet these demands.
- 3.15. There is a clear link between commissioning and workforce sustainability. Fair pay and competitive terms and conditions for social care workers are key factors in determining the future sustainability of the workforce, and it is also important to ensure differentials aren't eroded when improving terms and conditions for frontline staff. Funding and pay levels need to reflect the need to incentivise progression, continual professional development and engagement with accredited specialist learning.

4. Increasing and improving social housing supply

- 4.1. We do not have enough truly affordable housing in Wales and it is imperative that the Welsh Government continues to invest in social homes.
- 4.2. At the end of September, over 11,000 people were in temporary accommodation. Around 1,500 people move into temporary accommodation every month, but only 500-800 moving into settled homes. This is due to the lack of affordable housing in both the social and private rented sectors. While the recent UK Government announcement regarding the increase in Local Housing Allowance rates should enable more people to find housing in the private rented sector, there will still be a considerable need for social homes.

Social Housing Grant

- 4.3. The Welsh Government must maintain the capital budget for social housing in line with the indicative budget for 2024/25 which was published last year. The cost of building new homes has increased hugely over the last few years, with Brexit, COVID-19 and high inflation causing a perfect storm for social housing developers. It is essential that the Welsh Government provides enough funding for local authorities and housing associations to meet the 20,000 social homes target in the Programme for Government.

Transitional Accommodation Capital Programme

- 4.4. The Transitional Accommodation Capital Programme (TACP) supports a wide range of projects by local authorities and registered social landlords to create much-needed extra housing capacity across Wales. In its first year, the Programme provided £76.4m to Local Authorities and Registered Social Landlords to bring forward 936 homes. Further funding has been [announced](#) for 2023/24.
- 4.5. Local authorities and social landlords have used the funding in a number of ways, including:
 - bringing unused and mothballed properties back into use
 - remodelling existing accommodation
 - converting buildings into good-quality accommodation
 - using modern methods of construction on development sites
- 4.6. We are very supportive of this programme, as it enables social housing capacity to be maximised while new social homes are being built. People need homes now, and the TCAP is a pragmatic solution that operates well alongside the social house-building programme, enabling local authorities to work with their partners locally to develop solutions to meet housing need. In our view, the Welsh Government should continue to invest in the Transitional Accommodation Capital Programme in 2024/25.

Welsh Housing Quality Standards 2023

- 4.7. We welcome the new Welsh Housing Quarterly Standards, which maintain the focus on improving standards for social tenants while introducing a firm commitment to decarbonisation. However, we know that implementing these standards will be challenging for the social housing sector, as the costs of maintaining existing homes and building new homes has increased. It is therefore of the utmost importance that the Welsh Government provides appropriate funding to help social landlords to meet these new standards.

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 48 : Ymateb gan: Dros Newid Cymdeithasol Cymru (Saesneg yn unig) |
Response from: Psychologists for Social Change (English only)





30/11/23

Dear Members of the Senedd Finance Committee,

RE: 2024/25 Budget consultation

There are direct links between cuts to public services and an increase in mental health problems. Well-established psychological research explains these links ([PAA, 2015](#)). We have been witnessing their affects since the implementation of austerity measures.

Austerity policies and cuts to public service funding have a damaging psychological cost. They create mental health problems in the present and store up problems for the future. The specific ways in which austerity policies impact on mental health are through the creation of psychological stress. The evidence base describes these as the experiences of:

1. Humiliation and shame.
2. Fear and distrust
3. Instability and insecurity
4. Isolation and loneliness
5. Being trapped and powerless

These are known as the '5 ailments of austerity' and everyone is impacted by them but those with more adversity, trauma and distress in their lives feel it the hardest and lost their lives because of it.

Prolonged humiliation following a severe loss trebles the chance of being given a diagnosis of depression. Job insecurity is as damaging for mental health as unemployment. Feeling trapped over the long term nearly trebles the chances of being given a diagnosis of anxiety and/or depression. Low levels of trust increase the chance of being given a diagnosis of depression by nearly 50%. These five 'ailments' are indicators of problems in society, of poisonous public policy, weakness of social cohesion and inequalities in power and wealth.

Access to [healthcare accounts for 10%](#) of our health but 50% of the budget spend. When between 70-80% of our health is from sources outside of healthcare it makes no sense that half of the budget spend is on healthcare. What we need is to protect and prioritise the social determinants of health to reduce the demand and therefore spend on health services. As well as to reduce the human cost to quality of live and to the number of lives needlessly lost. Our current system of cost volume, short term and insecure commissioning traps people in depending on healthcare.

We know Welsh Government is limited in many respects in what they can deliver in the next budget for Wales that will allow our society to thrive. We know cuts have to be made to already strained and struggling services and that there is no real right way to do that. But there are things that we can do longer term to help mitigate the impact. If we do not take a step change our mental health service will collapse.



Mental health waiting times and referral rates have slowly been increasing whilst at the same time spending on the response needed to meet demand has not. This not only compromises the care we as practitioners are able to provide but it also puts an immense strain and pressure on us too.

Improving access to mental health services, access to medication or therapy is only a sticking plaster and it is frustrating not to be able to deliver the quality of care people need because their basic needs are not being met. It is not possible to support someone with their mental health when they do not have a safe and secure home, enough food to eat or know that they have a secure job that pays them enough to live a decent life.

For a step change and to protect our future and mitigate the horrific impact of more cuts we recommend that the Welsh Government:

1. Obtain powers to devolve the welfare system to Welsh government
2. Align the budget setting process to the Trauma Informed Wales Framework and create a trauma informed budget setting tool.
3. Make housing and homelessness support a core public service provision.
4. Ensure the third sector is recognised for its role in health promotion and preventative work and that the learning generated in meeting need early, and saving costs to public services, is gathered and understood by Welsh Government officials and Ministers.
5. Support a move to place-based community embedded services, with the third sector holding an equal and pivotal role, working to address the social determinants of physical and mental health, to achieve the ambitious aims of the Wellbeing of Future Generations (Wales) Act and the trauma informed society framework.
6. Break the cycle of insecure work in the 3rd sector by setting minimum standards in local authority, health board and other public service commissioning to include:
 - a. Salaries to be set at the Real Living Wage
 - b. Increasing the length of public service commissioning contracts to a minimum of 5 years.
 - c. Stop cost volume and payments by result commissioning practice.

Yours Sincerely,

pp.

Dr Jen Daffin, Community Clinical Psychologist,
Chair Psychologists for Social Change Cymru



30/11/23

Dear Members of the Senedd Finance Committee,

RE: Housing Support Grant Fund 2023/24

We know good quality housing predicts good mental health (Evans, et al. 2000). Feeling safe is central to being a happy and healthy person. It has been long known that feeling secure in our environment alongside our relationships with others is central to wellbeing. Knowing that you will have enough to eat and somewhere to live is a basic requirement for good mental health and wellbeing. Homelessness has been linked to greater anxiety and low mood in children and parents in homeless families, compared to those in poverty who are housed (Shinn, & Weitzman, 1996). Secure housing is likely to have a positive impact on wellbeing, given that moving house three or more times has been identified as a risk factor for increased emotional and behavioural problems in children (Buckner, 2008).

Punitive UK governmental policies combined with an out-of-control housing market have led to many people being uprooted from their homes. The numbers being made homeless following a private tenancy has also doubled over the past decade, indicating severe insecurity in the private rental sector. It is well known that people on low incomes tend to have smaller, denser and more localised support networks (Haug & Tausig, 1990). Being forced to move from established communities therefore is likely to be particularly problematic and a risk to mental health and wellbeing.

The instability in the housing sector puts pressure on our mental health services. Addressing the social determinants of health means prioritising and addressing people's housing needs. This is vital to achieving the ambitions of the future generations act and the trauma informed society framework. Safe, secure and affordable housing is not only a mental health intervention but a trauma informed preventative measure as well.

We see the impact of insecure, unstable and unsafe housing on people in our clinical practice every day. We therefore support calls to protect and prioritise up lifting the housing support grant funding. We see this as a trauma-informed mental health intervention that will reduce demands and spend on mental health services in the short and over the long term. Whilst at the same time improving people's lives and ensuring children have the circumstances they need for good mental health and a happy healthy future.

Yours sincerely,

1. Dr Jen Daffin, Community Clinical Psychologist – Chair PSC Cymru
2. Dr Elanor Maybury, Consultant Clinical Psychologist
3. Dr Kellie Turner, Clinical Psychologist



4. Rhiannon Peters, Trainee Clinical Psychologist
5. Dr Lynda Durell. Clinical Psychologist
6. Dr Hannah Wedge, Clinical Psychologist
7. Lauren Milton-McNally, Trainee counselling psychologist
8. Dr Rachel Evans, Clinical Psychologist
9. Dr Kiran Guye, Clinical Psychologist
10. Dr Dr Misbah Gladwyn-Khan, Clinical Psychologist
11. Dr Cathy Wood, Clinical Psychologist
12. Dr Maisy Stockdale, Clinical Psychologist
13. Laura McCarron, Trainee Clinical Psychologist
14. Gemma Wyatt, Trainee Counselling Psychologist
15. Claire-Marie Heaney, Systemic practitioner
16. Alkiviadis Fasoulis, Trainee Clinical Psychologist
17. Eira Fomicheva, Trainee Educational Psychologist
18. Dr Tim Hoare, Clinical Psychologist
19. Dr Jessica Broughton, Clinical Psychologist
20. Abigail Seabrook, Trainee Clinical Psychologist
21. Amber Ford, Trainee Clinical Psychologist
22. Dr Nicola Robinson Clinical Psychologist
23. Elaine Choi, Trainee Clinical Psychologist
24. Dr Tonia McGinty Counselling Psychologist
25. Dr Abigail Wright, Educational Psychologist
26. Dr Libby Erin, Consultant Clinical Psychologist
27. Dr Georgette Morrison, Clinical Psychologist
28. Dr Matt Yates, Clinical Psychologist
29. Dr Sarah Brown, Community and Clinical Psychologist
30. Mr Gareth Daniel, Msc Psychology Student
31. Stephanie Richards - Trainee Clinical Psychologist
32. Ffion Lewis - Trainee Clinical Psychologist
33. Dr Harriet Frampton, Clinical Psychologist
34. Rachel Johnson, Trainee Clinical Psychologist
35. Dr Rebecca Bale, Clinical Psychologist
36. Dr Katie Place, Clinical Psychologist
37. Dr Jessica Stolberg, Clinical Psychologist
38. Dr Naomi Swift, Consultant Clinical Psychologist
39. Dr Tom Wright, Clinical Psychologist
40. Chloe Newberry, Trainee Clinical Psychologist
41. Dr Jessamine Rayner, clinical psychologist
42. Pol Vorozhtsova (trainee) Psychological Wellbeing Practitioner
43. Dr Aimee Pudduck, Consultant Clinical Psychologist
44. Dr Becky Hardiman, Trainee Clinical Psychologist
45. Poppy Wright, Trainee Clinical Psychologist
46. Dr Harriet Davies, Clinical Psychologist
47. Victoria Jones , Highly Specialist Family and Systemic Psychotherapist
48. Dr Judith Storey, Clinical Psychologist
49. Dr Sinead Morrison, Clinical Psychologist

References



Buckner, J. C. (2008). Understanding the impact of homelessness on children challenges and future research directions. *American Behavioral Scientist*, 51(6), 721-736.

Department of Communities and Local Government. (2014). *Rough sleeping statistics England: Autumn 2013*. London: DCLG.

Evans, G. W., Wells, N. M., Chan, H. E., Saltzman, H. (2000). Housing quality and mental health, *Journal of Consulting and Clinical Psychology*, 68, 3, 526-530

Haung, G., Tausig, M. (1990). Network range in personal networks, *Social Networks*, 12, 3, 261-268.

Shinn, M., & Weitzman, B. C. (1996). Homeless families are different. *Homelessness in America*, 109-122; Buckner, J. C. (2008).

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 49 : Ymateb gan: Sefydliad Bevan (Saesneg yn unig) | Response from: Bevan Foundation (English only)



Senedd Finance Committee

Inquiry into the Welsh Government's Draft Budget 2024-25

Response by the Bevan Foundation

The Bevan Foundation is Wales's most influential think tank. We create insights, ideas and impact that help to end poverty, inequality and injustice in Wales. We are a registered charity and company limited by guarantee, funded by charitable trusts and foundations, donations, and trading as a social enterprise.

We welcome the opportunity to contribute our views on the draft budget for 2024-25, in advance of its publication. Our responses relate only to poverty and inequality.

1. What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic?

The cost of living crisis continues to put severe pressure on low-income households in all types of communities in 2023-2024. Although the rate of inflation has fallen, it remains at the highest rate since the early 1990s and prices of everyday items continue to be high. As an illustration, a basket of goods that cost £100 in 2021, cost £118.34 in October 2023. The rate of inflation for low income households is even higher because low income households spend an above average proportion on their incomes on high-inflation items.

Bevan Foundation research showed that in summer 2023, when many households were saving on energy costs, that around 14% of all households in Wales sometimes, often or always go without essentials such as food, heating and toiletries. The figure rises to 47% amongst people in receipt of Universal Credit. That the findings in summer 2023 were very similar to those six months earlier indicates that there has been little improvement for households.

We have therefore welcomed many of the Welsh Government's actions to support low income households during the year, including the increased budget for the Discretionary Assistance Fund (DAF), the uplift to Education Maintenance Allowance, the continued roll-out of Free School Meals to primary pupils and the increased budget for the Discretionary Homeless Prevention Fund (DHPPF). These measures are undoubtedly helping people to manage acute financial pressures.

We are, however, concerned that some of the measures introduced 2022-2023, when pressures were arguably not as great as today, have been withdrawn in the current year. For example, both the UK Government and Welsh Government have withdrawn their support with energy costs, the provision of Free School Meals in the holidays has ended, and fewer emergency payments are allowed from DAF. Yet energy, food and housing costs are even higher than before.

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

The Welsh Government must not assume that the cost of living crisis is over and should continue to support the hardest-hit households. The outlook during the period of the

Welsh Government's 2024/25 budget continues to be tough, with the Office for Budget Responsibility and Bank of England anticipating inflation remaining about the target rate of 2% to the end of 2025. If correct, the cost of that basket of goods could increase by a further £7.10 by March 2025.¹ While the UK Government has increased most social security benefits by the rate of inflation and unfrozen Local Housing Allowance, benefits nevertheless remain historically low and wages have not kept pace with inflation, resulting in real terms cuts.

We therefore strongly urge the Welsh Government to use its 2024/25 budget to ensure that households with the lowest incomes are able to afford the essentials of an adequate home, food, heating and hygiene products. Our recommendations for specific actions that the Welsh Government should take were included in the final report of the Wales Expert Group on the Cost of Living Crisis,² of which we were a member. These comprised a mix of:

- Payments or reliefs to put cash in pockets, including:
 - A winter cash payment for the most severely affected households, including those with children.
 - Changes to the council tax relief taper.
- Extending eligibility and improving the provision of public services that provide essentials including:
 - Provision of free school meals
 - Accelerating the provision of social housing
 - Stepping up home insulation schemes.
- Boosting take up of UK and Welsh benefits, grants and allowances through targeted campaigns.

The Bevan Foundation would make the following points in respect of the group's recommendations and the Welsh Government's response.

We understand that the Welsh Government is faced with managing a combination of inflation hitting the services it provides and rising demand for those services, at the same time as it has a fixed budget. While there are constraints in the current fiscal arrangements, the Welsh Government does have choices. It has the option of raising (or lowering) income tax or other devolved taxes, or it can develop new, revenue-raising taxes; it can impose or increase fees and charges; and it can reallocate resources from low-priority areas to those with a higher priority. In managing mid-year inflation pressures, the Welsh Government *chose* to increase expenditure on the NHS and train services, while choosing not to extend eligibility for Free School Meals or introduce a Winter energy payment. Similarly, it has chosen to award grants to multi-national businesses, while cutting back on the goods offered to people in financial crisis. In noting this, we are not expressing a view about the Welsh Government's decisions but are pointing out that it does have options.

In discussions about the Welsh budget, we also note that the Welsh Government has said that it wishes to focus on the areas which are devolved and not attempt to make up for deficiencies it perceives in the UK Government's responsibilities, such as aspects of the

¹ Assuming a consistent 4% rate of inflation over the period.

² <https://www.gov.wales/report-wales-expert-group-cost-living-crisis>

Universal Credit system which cause hardship or cuts to UK Government services such as Legal Aid. However, the current devolution settlement is based on reserved powers, meaning that the Welsh Government can take responsibility for **all** aspects of life in Wales, including those which are the result of UK Government decisions. It can, if it wishes, complement, supplement or make up for perceived deficiencies in the UK Government's approach. In many instances, it is sound socio-economic sense to do so, for example the devolved DHPF helps to prevent homelessness even if this is caused by a shortfall in Local Housing Allowance, while the DAF can explicitly be used to offset the impact of the five-week wait for payment of Universal Credit.

With standards of living forecast to remain low for the next three years and destitution rising, we urge the Welsh Government to take a holistic view of its responsibilities and to exercise its choices to help to ease pressure on low income households.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on whether enough is being done to tackle the rising costs of living and support those people living in relative income poverty?

As said earlier, the Bevan Foundation would like to see the Welsh Government do more to solve poverty. We acknowledge that the Welsh Government has taken some important actions in respect of immediate cost of living pressures, and also acknowledge that some of those actions will also have longer term benefits for people on low incomes.

Nevertheless, the Bevan Foundation urges the Welsh Government to step up its actions to address the root causes of poverty, i.e. high costs (especially of essentials such as food, housing and transport), lack of decent work in the local labour market, and in particular in economically disadvantaged areas, and an inadequate social security system especially for working age adults and children. This should be done with fewer interventions delivered at scale over the longer term.

There are financial benefits from reducing poverty and income inequality. Poverty costs the public purse a great deal. It is associated with poor health, lower educational outcomes, higher housing needs and additional demand for social care and social services to name just a few. Health inequalities are estimated to cost NHS hospital services alone some £322 million per year (8.7%) of NHS hospital expenditure.³ In 2016 the Bevan Foundation estimated that 20% of the Welsh budget was spent on ameliorating the impact of poverty, including additional costs to health, housing, education and social services and not including the costs of foregone tax receipts – some £4 billion a year.⁴ If the Welsh Government successfully reduced poverty – even by a modest margin – it would ease the pressure on its budget over time.

Bevan Foundation
145a High Street
Merthyr Tydfil CF47 8DP
www.bevanfoundation.org

³ <https://phw.nhs.wales/news/tackling-inequality-could-save-hospitals-in-wales-322-million-every-year/>

⁴ <https://www.bevanfoundation.org/resources/prosperity-without-poverty-framework-action-wales/>

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 50 : Ymateb gan: Cymdeithas Llywodraeth Leol Cymru (CLLC) | Response from: Welsh Local Government Association (WGLA)



Y Pwyllgor Cyllid a'r Pwyllgor Llywodraeth Leol a Thai: Craffu ar Gynigion Cyllideb Ddrafft Llywodraeth Cymru 24-25

Jon Rae, Cyfarwyddwr Adnoddau

Cymdeithas Llywodraeth Leol Cymru – Llais Cynghorau Cymru

Mae Cymdeithas Llywodraeth Leol Cymru (CLILC) yn sefydliad trawsbleidiol dan arweiniad gwleidyddol sy'n ceisio rhoi llais cryf i lywodraeth leol ar lefel genedlaethol.

Rydym yn cynrychioli buddiannau llywodraeth leol ac yn hybu democratiaeth leol yng Nghymru.

Mae'r 22 cyngor yng Nghymru'n aelodau o'r gymdeithas ac mae'r 3 awdurdod tân ac achub a'r 3 awdurdod parc cenedlaethol yn aelodau cyswllt.

Rydym ni'n credu bod y syniadau sy'n newid bywydau pobl yn digwydd yn lleol.

Mae cymunedau ar eu gorau pan fyddant yn teimlo bod ganddynt gysylltiad â'u cynghorau trwy ddemocratiaeth leol. Trwy hyrwyddo, hwyluso a chyflawni'r cysylltiadau hyn, gallwn ni ddatblygu democratiaeth leol fywiog sy'n galluogi cymunedau i ffynnu.

Ein prif nod yw hyrwyddo, diogelu, cefnogi a datblygu llywodraeth leol ddemocrataidd a buddiannau cynghorau yng Nghymru.

Byddwn yn cyflawni ein gweledigaeth drwy

- Hyrwyddo swyddogaeth a statws cynghorwyr ac arweinwyr cynghorau
- Sicrhau cymaint o ddisgresiwn lleol â phosibl o ran deddfwriaeth neu ganllawiau statudol
- Cefnogi a sicrhau cyllid cynaliadwy a hirdymor i gynghorau
- Hybu gwelliant dan arweiniad y sector
- Annog democratiaeth leol fywiog, gan hybu mwy o amrywiaeth
- Cefnogi cynghorau i reoli eu gweithlu'n effeithiol



Trosolwg

1. Mae'r papur tystiolaeth hwn yn mynd i'r afael â'r cwestiynau a ofynnwyd gan y pwyllgor yn atodiad 2 i'r llythyr comisiynu. Mae'n seiliedig yn bennaf ar y papur a gyflwynwyd gennym i Lywodraeth Cymru yng nghyfarfod yr Is-grŵp Cyllid ar 25 Hydref.
2. Roedd y rhan fwyaf ohono yn cynnwys ein hasesiad o bwysau gwario llywodraeth leol sydd wedi parhau'n gyson uchel yn ystod y flwyddyn ariannol gyfredol. Rydym wedi diweddarau ein hamcangyfrifon o'r pwysau yn 2023-24 a 2024-25 ar sail cynlluniau ariannol tymor canolig awdurdodau lleol. Mae'r rhain yn seiliedig ar ganlyniadau arolwg llawn o gynghorau a gwasanaethau tân ac achub a gynhaliwyd yn ystod mis Awst/Medi gyda chymorth Cymdeithas Trysoryddion Cymru (SWT).
3. Ers i bapur yr Is-grŵp Cyllid gael ei gyflwyno i'r grŵp, rydym wedi dod yn ymwybodol o ddau ddatblygiad pellach. Yn gyntaf, roedd cyhoeddi Datganiad yr Hydref gan Lywodraeth y DU yn dangos cynnydd yng nghyfraniadau cyflogwyr ar gyfer cynllun pensiwn athrawon o 5%, o 23.6% i 28.6% o 1 Ebrill 2024 a fydd yn costio £64.3m. Mae'r costau hyn wedi eu seilio ar ddim cynnydd o ran tâl ar gyfer y flwyddyn academaidd 2024/25. Bydd ailbrisiad tebyg o gynllun pensiwn y gwasanaethau tân ac achub yn arwain at gynnydd cyffredinol mewn cyfraniadau cyflogwr ar gyfer Awdurdodau Tân ac Achub o £2.8m o 1 Ebrill 2024. Fodd bynnag, mae'r rhan fwyaf o awdurdodau lleol yn tybio fod hyn yn cael ei ariannu'n llawn, fel yr oedd adeg yr ailbrisiad diwethaf.
4. Yn ail, ar ddiwedd mis Hydref, fe ddaethom yn ymwybodol na fyddai rhan o ddyfarniad cyflog athrawon ar gyfer 2023-24 yn cael ei ariannu ar sail reolaidd o 2024-25. Mae hyn yn rhoi pwysau ychwanegol o £21.3m heb gyllid ar gyllideb y flwyddyn nesaf er gwaethaf sicrwydd ei fod yn cael ei ariannu'n llawn yn llythyr y Gweinidog ar 9 Mawrth 2023.

Casgliad

5. Mae hyn yn golygu y gallwn ailbroffilio'r amcangyfrifon sydd wedi eu cynnwys yn yr adroddiad gwreiddiol. Yn 2024-25 fe fydd awdurdodau lleol yn wynebu pwysau a amcangyfrifir o £809m yn hytrach na £720m. Yn 2025-26 fe fydd yn £604m a £613m yn 2026-27.
6. Os yw'r cyfraniadau pensiwn yn cael eu hariannu, ond nid pwysau'r cyflogau, bydd y bwlch blynyddol cyfanredol yn y gyllideb ym mhob un o'r 3 blynedd nesaf yn £432m, £429m a £433m yn y cyfnod sy'n arwain at 2026-27. Gallai cyfanswm y bwlch ariannu cronol fod yn £1.294 biliwn. Bydd yn rhaid i'r mesurau y bydd cynghorau'n eu gweithredu i fynd i'r afael â'r bwlch hwn fod yn eithafol.



ATODIAD A

Is-grŵp Cyllid

25 Hydref 2023

RHAGOLYGN ARIANNOL

Pwrpas

7. Mae'r papur hwn yn cyflwyno'r asesiad diweddaraf o bwysau gwariant cynghorau dros y tair blynedd nesaf yn seiliedig ar gynlluniau ariannol tymor canolig awdurdodau lleol. Mae hyn yn seiliedig ar ganlyniadau arolwg llawn o gynghorau a gwasanaethau tân ac achub a gynhaliwyd yn ystod mis Awst/ Medi gyda chymorth Cymdeithas Trysoryddion Cymru (SWT). Ceir crynodeb o'r canlyniadau yn Atodiad I. Mae'r papur yn cynnwys gwybodaeth am y sefyllfa yn ystod y flwyddyn ar gyfer 2023-24 a gynhoir yn Atodiad II. Bydd hyn yn gofyn am gyfuniad o doriadau, arbedion effeithlonrwydd, a defnyddio cronfeydd wrth gefn i fantoli cyllidebau.

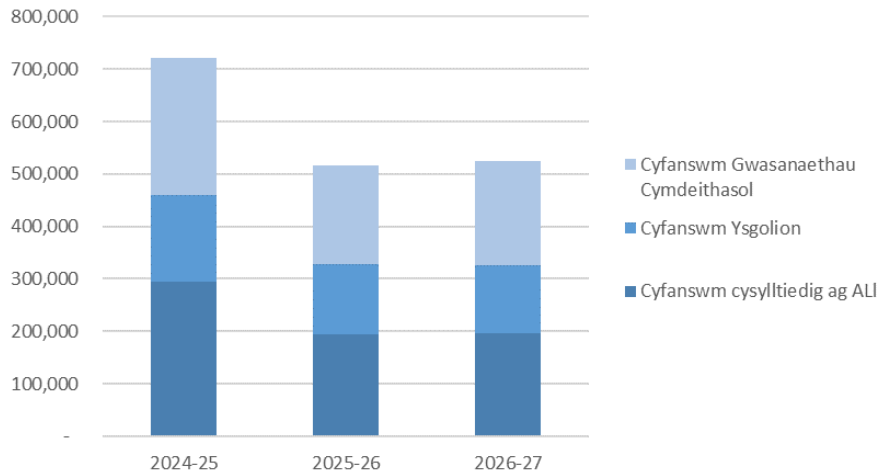
Crynodeb

8. Drwy gydol y flwyddyn, rydym wedi adrodd yn gyson y bydd y pwysau sy'n cronni ar draws llywodraeth leol mor uchel ag yr oeddent y llynedd wrth i ni gynllunio ar gyfer 2022-23. Ers cyfarfod yr Is-grŵp Cyllid ym mis Mawrth, rydym wedi amcangyfrif pwysau o rhwng £600 a £750 miliwn yn 2024-25 ac mae'r arolwg yn cadarnhau bod hyn yn £720m. Byddai hyn yn gofyn am gynnydd o bron i 10% mewn gwariant refeniw net.¹ Mae hyn yn disgyn i £516 miliwn a £524 miliwn yn 2025-26 a 2026-27, yn y drefn honno. Gyda'i gilydd, mae'r pwysau sy'n cronni yn y system, a'r bwch yn y gyllideb sy'n deillio o hynny, yn golygu bod y rhagolygon yn hynod o llwm a bydd yr opsiynau ar gyfer llawer o wasanaethau lleol yn annymunol.

¹Cyfanswm y gyllideb gwariant refeniw net ar gyfer 2023-24 yw £7.373 biliwn (Ffynhonnell: Ffurflenni Cyfrif Refeniw Llywodraeth Cymru)



Ffigur 1: Pwysau cyllidebol yn ôl gwasanaeth, 2024-25 i 2026-27, £000oedd



Ffynhonnell: Arolwg Cymdeithas Trysoryddion Cymru 2023

9. Mae'r pwysau y flwyddyn nesaf tua 2.5 gwaith y pwysau y byddem fel arfer yn disgwyl ei weld ac mae ffigur 1 uchod yn dangos sut mae'r rhain wedi'u gwasgaru ar draws y meysydd gwasanaeth eang. Mae gofal cymdeithasol yn cyfrif am 36% (£261 miliwn) o bwysau yn 24-25, mae ysgolion yn cyfrif am 23% (£164 miliwn) o'r pwysau ac mae gwasanaethau eraill yr awdurdod lleol yn cyfrif am y 41% sy'n weddill (£295 miliwn). Mae'r dadansoddiad llawn i'w weld yn Atodiad I.
10. Er bod y pwysau yn y flwyddyn ariannol bresennol wedi'u gwrthbwysu gan setliad gwell na'r disgwyl, mae'n dod yn amlwg bod pwysau ychwanegol yn ystod y flwyddyn gwerth £219 miliwn. Nodir hyn yn fanylach yn Atodiad II. Mewn rhai awdurdodau, mae'r gorwario rhagamcanol hwn wedi mynd yn ddifrifol dros ben gydag ystod o fesurau'n cael eu rhoi ar waith i fantoli cyllidebau. O ran dadansoddiad gwasanaeth, gofal cymdeithasol yw 50% o'r gorwariant, neu £109 miliwn, gyda gofal plant cost uchel a galw cynyddol am ofal cymdeithasol oedolion yn cyfrif am y rhan fwyaf o'r costau afreolus. Mae addysg ac ysgolion yn cyfrif am tua 22%, neu £47 miliwn o gyfanswm y gorwariant. Mae gwasanaethau eraill y cyngor yn cyfrif am £63 miliwn sydd ychydig yn llai na 30% o'r gorwariant cyffredinol.
11. Ffordd arall o edrych ar hyn yw bod ychydig dros draean o'r gorwariant a ragwelir, tua £72 miliwn, yn deillio o chwyddiant (gan gynnwys chwyddiant cyflog), sy'n llawer uwch na'r hyn a ragwelwyd yn wreiddiol pan osodwyd cyllidebau yn gynnar yn 2023. Fodd bynnag, mae llawer o'r pwysau yn ystod y flwyddyn yn deillio o alw nas rhagwelwyd, yn enwedig ym maes gofal cymdeithasol, ac mae'n cyfrif am 50% neu £109 miliwn (sydd, drwy gyd-ddigwyddiad, yr un faint â chyfanswm y pwysau ar ofal cymdeithasol).
12. Ar yr ochr ariannu, y cynnydd arfaethedig mewn Cyllid Allanol Cyfun (AEF) ar gyfer 2024-25 yw £169 miliwn, neu 3.1%, a fydd yn cwmpasu ychydig dros chwarter y



30 Tachwedd 2023

pwysau yn y flwyddyn ariannol. Mae'r amcangyfrifon diweddaraf gan Ddadansoddi Cyllid Cymru ar gyfer y blynyddoedd dilynol yn dangos bod y rhagolygon ar gyfer cyllid yn arbennig o llwm, gyda chynghorau'n dibynnu'n bennaf ar dreth y cyngor am unrhyw gyllid ychwanegol.

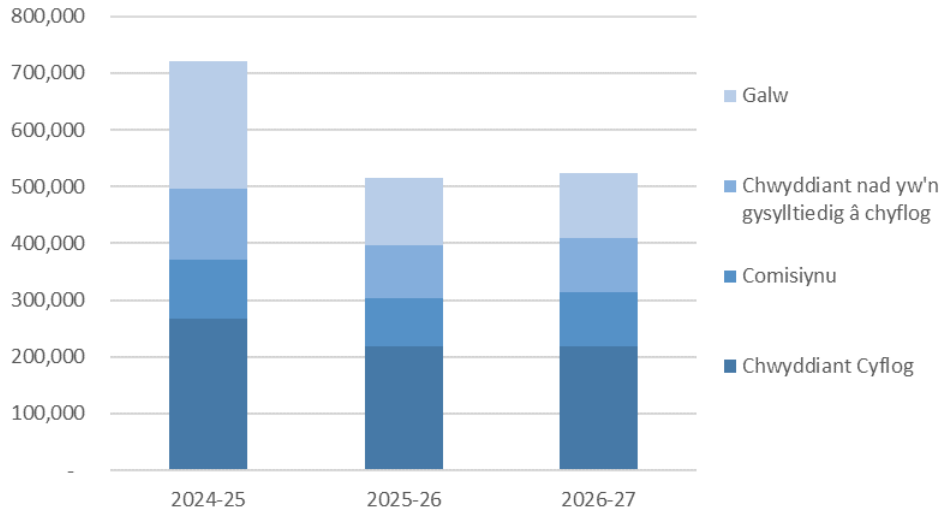
13. Heb gyllid ychwanegol, ni ellir gorbwysleisio'r risg i wasanaethau'r cyngor gan gynnwys addysg a gofal cymdeithasol. Y bwch yn y gyllideb flynyddol gyfanredol ym mhob un o'r 3 blynedd nesaf yw £411 miliwn, £408 miliwn a £412 miliwn yn y cyfnod yn arwain at 2026-27. Gallai cyfanswm y bwch ariannu cronol fod yn £1.232 biliwn. Bydd rhywfaint o'r bwch yn cael ei lenwi trwy arbedion effeithlonrwydd a mesurau eraill ond o ystyried maint yr her, mae llawer o gynghorau yn paratoi am doriadau gwasanaeth ar raddfa fawr a cholli swyddi a fydd yn arwain at filoedd o bunnoedd.

Dadansoddiad

14. Mae Llywodraeth Cymru wedi disgrifio ei sefyllfa gyllidebol fel "y sefyllfa ariannol fwyaf anodd ers datganoli". Dros yr haf, gofynnwyd i weinidogion y cabinet edrych ar y sefyllfa yn ystod y flwyddyn yn 2023-24 wrth baratoi ar gyfer cylch cyllideb 2024-25. Er bod y darlun ar gyfer y flwyddyn nesaf yn llwm, mae Dadansoddi Cyllid Cymru yn adrodd bod cynlluniau gwariant cyhoeddus tynn dros y blynyddoedd i ddod hefyd yn rhoi 'darlun pryderus ar gyfer y tymor canolig'.
15. Cadarnheir y sefyllfa tymor canolig gan Gyllideb Werdd y Sefydliad Astudiaethau Cyllid. Gydag economi'r DU yn sownd rhwng twf gwan ar y naill law a'r risg o chwyddiant cyson uchel ar y llaw arall, maent yn datgan: "Rydym mewn helynt cyllidol echrydus gan fod twf isel a thaliadau llog uchel ar ddyledion yn golygu nad oes lle i symud." Rhaid i bolisi cyllidol ac ariannol daro cydbwysedd gofalus felly gallai pecyn heb ei ariannu o doriadau treth cyn yr etholiad fod yn anghynladwy.
16. Yn Ffigur 2 mae pwysau cyllidebol o 2024 i 2027 wedi'u categoreiddio o dan 4 prif bennawd. Mae chwyddiant cyflog a chwyddiant nad yw'n gysylltiedig â chyflog yn ogystal â chostau comisiynu ym maes gofal cymdeithasol yn gostau anocheil y mae'n rhaid eu talu dim ond i aros yn ein hunfan. Mae'r rhain yn cyfrif am bron i £500 miliwn yn y flwyddyn ariannol nesaf gan ddisgyn i tua £400 miliwn yn y ddwy flynedd ddilynol. Gyda bargeinion cyflog, mae cynghorau wedi bod yn adeiladu disgwyliadau sydd ymhell islaw'r realiti.



Ffigur 2: Pwysau Cyllideb yn ôl math, 2024-25 a 2026-27, £000oedd



Ffynhonnell: Arolwg Cymdeithas Trysoryddion Cymru 2023

Chwyddiant cyflogau a chwyddiant nad yw'n gysylltiedig â chyflogau

17. Ar y cyfan, mae'r ymatebion i'r arolwg yn dweud wrthym fod y cynnydd heb ei gynllunio yn y bil cyflogau yn 23-24 yn dod i £31 miliwn: £9 miliwn ar gyfer ysgolion, £5 miliwn ar gyfer gofal cymdeithasol a £17 miliwn ar gyfer gwasanaethau eraill y cyngor. Mae hyn yn well na'r rhagdybiaethau isel a wnaed y llynedd. Fel cyflogwyr cyfrifol, sydd wedi ymrwmo i bartneriaeth gymdeithasol, byddwn yn cymryd rhan lawn mewn trafodaethau gyda'r undebau dros y cyfnod nesaf. Fel y nodwyd uchod, mae cynghorau yn gwneud rhagdybiaethau ar gyfer £267 miliwn o bwysau cyflog y flwyddyn ariannol nesaf (bron i 40% o gyfanswm y pwysau), a £218 miliwn a £219 miliwn yn y ddwy flynedd ddilynol hyd at 26-27.
18. Mae'r tri undeb Cyd-gyngor Cenedlaethol ar gyfer Gwasanaethau Llywodraeth Leol (NJC LGS) (UNSAIN, GMB ac Unite) wedi cyflwyno eu hawliad tâl ar gyfer gweithwyr gwasanaethau llywodraeth leol ('Llyfr Gwyrdd') ar gyfer 2023-24 ar 30 Ionawr. Mae'r hawliad yn datgan fod gweithwyr y cyngor wedi '...dioddef degawd o ddyfarniadau cyflog is na'r cyfartaledd a rhewi cyflogau ...[ac]...wedi colli cyfartaledd o 25% o werth eu colofn gyflog ers 2010. Mae'r hawliad tâl wedi cael ei osod yng nghyd-destun yr argyfwng costau byw, pwysau chwyddiant a heriau recriwtio a chadw staff.
19. Ym mis Chwefror 2023, ymatebodd y cyflogwyr cenedlaethol i hawliad cyflog yr undeb gyda chynnig llawn a therfynol o £1,925 ar gyfer yr holl bwyntiau ar golofn gyflog yr NJC a 3.88% ar gyfer yr holl bwyntiau cyflog uwchlaw brig colofn gyflog yr NJC. Ar gyfer y rhai sydd ar y cyflogau isaf (sy'n ennill £20,441 y flwyddyn ar hyn o bryd), mae'r cynnig yn cyfateb i gynnydd o 9.42% eleni; sy'n golygu y bydd eu cyflog wedi cynyddu £4,033 (22.0%) dros y ddwy flynedd ers mis Ebrill 2021.



20. Gwrthododd y tri undeb llafur NJC LGS y cynnig a phleidleisiodd yr aelodau dros weithredu diwydiannol. Mae Cyflogwyr Llywodraeth Leol wedi ategu bod y cynnig yn llawn ac yn derfynol.
21. Cynhaliodd y tri undeb llafur NJC LGS bleidleisiau dadgyfunedig ar lefel leol, ar sail cyngor neu wasanaeth unigol, yn hytrach na phleidlais genedlaethol. Ni ddychwelodd aelodau undeb llafur Unsain bleidlais dros weithredu diwydiannol a deallir eu bod yn awyddus i weld penderfyniad cyflym fel bod y dyfarniad cyflog yn cael ei gymhwyso cyn gynted â phosibl. Dychwelodd Unite bleidlais gadarnhaol dros weithredu diwydiannol mewn tri chyngor. Mae niferoedd yr aelodaeth yn isel yn gyffredinol ond wedi'u crynhoi mewn gwasanaethau megis gwastraff a gwasanaethau stryd, gyda streic yn achosi rhywfaint o aflonyddwch o ganlyniad mewn dau o'r tri chyngor. Mae'r bleidlais ar gyfer GMB, yr undeb llafur mwyaf ond un, i fod i gau ar 24 Hydref 2023 ac mae disgwyl i Gyflogwyr Llywodraeth Leol gyfarfod ar 2 Tachwedd 2023 i drafod y camau nesaf. Os bydd GMB yn methu â sicrhau pleidlais dros weithredu diwydiannol, y gobaith yw y bydd y dyfarniad cyflog yn cael ei dderbyn a'r anghydfod presennol yn dod i ben.
22. Arweiniodd gweithredu diwydiannol gan Athrawon ym mis Chwefror 2023 at agor trafodaethau Llywodraeth Cymru ar gyflog a llwyth gwaith. Diweddarwyd Dogfen Cyflog ac Amodau Athrawon Ysgol (Cymru) ar gyfer 2022/23 ym mis Ebrill 2023 i gynyddu'r dyfarniad cyflog o'r 5% y cytunwyd arno'n flaenorol i 6.5% a darparu ar gyfer cyfandaliad ychwanegol o 1.5% heb ei gyfuno ar gyfer 2022/23 yn unig, wedi'i ôl-ddyddio i 01 Medi 2022. Gosodwyd dogfen *Cyflog ac Amodau Athrawon Ysgol (Cymru)* ar gyfer 2023/24 ar 05 Hydref 2023 a rhagwelir y daw i rym ddiwedd mis Hydref. Bydd hyn hefyd yn cynnwys dyfarniad cyflog diwygiedig, wedi'i gynyddu o'r 3.5% arfaethedig i 5% ar gyfer 2023/24, wedi'i ôl-ddyddio i 01 Medi 2023.
23. Ar gyfer dyfarniad cyflog Gweithwyr Ieuencid a Chymuned, cytunodd y JNC ar gynnydd o £1925 o 01 Medi 2022 ac mae Ochr y Cyflogwyr wedi derbyn hawliad cyflog ac amodau gan Undebau Llafur Ochr y Staff ar gyfer 2023. Prif elfen yr hawliad yw codiad cyflog o RPI + 2%. Mae trafodaethau'n mynd rhagddynt.
24. Mae'r Cyflogwyr Cenedlaethol yn parhau i fod mewn anghydfod ag Ochr Swyddogion Soulbury ar gyflog ar gyfer 2022. Gwnaeth y Cyflogwyr Cenedlaethol gynnig o £1925 ym mis Tachwedd 2022 ac nid ydynt wedi gallu dod i gytundeb cyflog. Cynhaliodd Cymdeithas y Seicolegwyr Addysg (AEP) bleidlais ac maent wedi pleidleisio dros weithredu diwydiannol. Mae cyflogwyr wedi gwneud cynnig terfynol ar gyflog sy'n cynnwys cynnydd o £1,925 ar bob pwynt cyflog o 1 Medi 2022 a chynnydd o 3.5% ar bob pwynt cyflog o 1 Medi 2023.
25. Daeth yr NJC ar gyfer Gwasanaethau Tân ac Achub Awdurdodau Lleol (LAFRS) i gytundeb ar ddyfarniadau cyflog ar gyfer 2022 a 2023 ym mis Mawrth 2023.



Mae'r rhain yn cynrychioli cynnydd o 7% yn weithredol o 01 Gorffennaf 2022 a 5% yn weithredol o 01 Gorffennaf 2023.

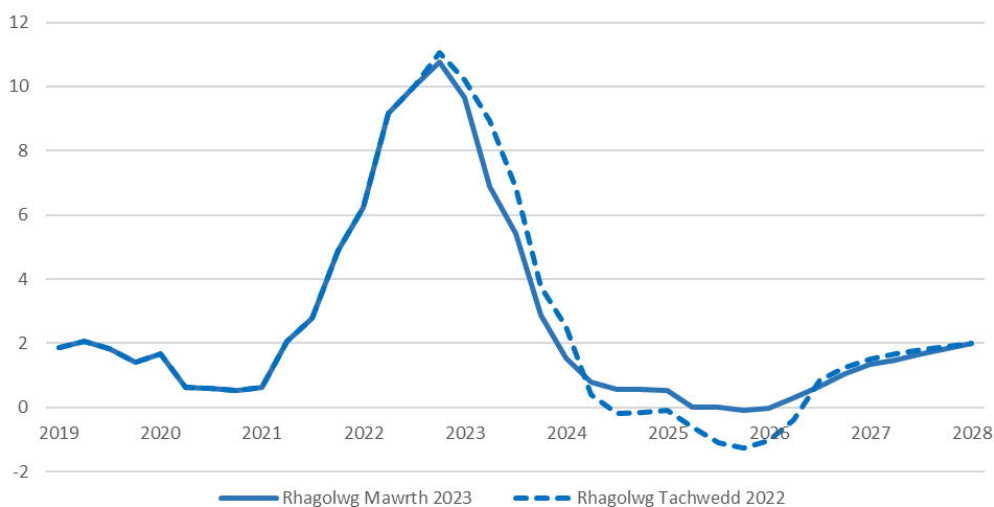
26. Daeth yr NJC ar gyfer Rheolwyr Brigâd LAFRS i gytundeb ar ddyfarniadau cyflog ar gyfer 2022 a 2023 ar 31 Mai 2023. Mae'r rhain yn cynrychioli cynnydd o 4% o 01 Ionawr 2022 a chynnydd o 3.5% o 01 Ionawr 2023.

27. Cytunodd y JNC ar gyfer Crwneriaid ar ddyfarniad cyflog o 1.56% ar gyfer 2022/23, yn dod i rym ar 01 Ebrill 2022.

28. O ran chwyddiant nad yw'n gysylltiedig â chyflogau, mae'r costau amcangyfrifedig a wynebwr gan gynghorau yn 2024-25 yn parhau i fod yn ystyfnig o uchel, sef tua £125 miliwn, tra bod arolygon blaenorol wedi dangos mai'r sefyllfa hanesyddol yw tua hanner hynny. Dywedodd y Swyddfa Cyfrifoldeb Cyllidebol (OBR) ym mis Mawrth 2023 ei bod yn disgwyl i chwyddiant Mynegai Prisiau Defnyddwyr (CPI) gyrraedd ei uchafbwynt ym mhedwerydd chwarter 2022 - ar ei gyfradd uchaf ers tua 40 mlynedd. Sbardunwyd y cynnydd yn bennaf gan brisiau nwy uwch yn bwydo i mewn cynnydd sydyn mewn biliau ynni domestig, ochr yn ochr â phrisiau tanwydd uwch a chwyddiant nwyddau byd-eang.

29. Mae disgwyl o hyd i chwyddiant ostwng yn gyflym i tua 0% o ganol 2024 i ganol 2026. Bydd biliau ynni yn disgyn yn ôl a bydd rhai pwysau cyflenwadau byd-eang yn cael eu gwrthdroi. Mae'r OBR yn disgwyl i chwyddiant wedyn dychwelyd i'r targed o 2% erbyn diwedd y rhagolwg wrth i'r newidiadau mawr mewn prisiau ynni ddisgyn allan o'r cyfrifiad CPI blynyddol ac wrth i allbwn gyd-fynd yn fras â photensial cynhyrchiol yr economi.

Ffigur 3: Rhagolwg CPI y Swyddfa Cyfrifoldeb Cyllidebol Mawrth 2023, %



Ffynhonnell: Swyddfa Ystadegau Gwladol, [OBR](#)



30 Tachwedd 2023

30. Fodd bynnag, nid yw'r CPI a gyhoeddwyd ym mis Medi yn ymddwyn yn y ffordd a ragwelwyd. Er bod prisiau bwyd wedi gweld eu cwmp misol cyntaf mewn dwy flynedd, cododd prisiau tanwydd yn sydyn. Y canlyniad yw bod cyfradd gyffredinol chwyddiant wedi aros yn gyson ar 6.7%, gan ddod â'r rhediad o dri chwympiad misol yn olynol i ben. Ar ben hynny, mae rhagolwg diweddaraf Banc Lloegr (Awst 2023) yn disgwyl i chwyddiant barhau i ostwng yn 2024 a chyrraedd eu targed o 2% yn hanner cyntaf 2025."

Addysg ac Ysgolion

31. Mae cynghorau wedi adrodd am bwysau gwerth £41 miliwn yn ystod y flwyddyn ar gyfer 2023-24 sydd wedi'u hychwanegu at gyllidebau ysgolion, gyda chwarter hyn o ganlyniad i gyflogau. Y pwysau y mae ysgolion yn ei wynebu yn y dyfodol yw £164 miliwn yn 2024-25 sy'n cynrychioli cynnydd o 5.6% ar wariant refeniw net a gyllidebwyd² ar gyfer 2023-24. Mae pwysau blynyddol yn cynyddu mewn blynyddoedd dilynol gyda £134 miliwn arall a £131 miliwn yn 25-26 a 26-27 yn y drefn honno. Mae cyflogau'n cyfrif am dros 70% o gyfanswm chwyddiant ym mhob un o'r blynyddoedd.

32. Mae llawer o awdurdodau wedi cymryd yn ganiataol, yn gwbl briodol, y bydd y grantiau ychwanegol ar gyfer y fargen gyflogau i athrawon yn 22-23 ac yn 23-24 yn cael eu hariannu'n rheolaidd gyda'r grantiau'n cael eu trosglwyddo i'r llinell sylfaen ariannu. Mae rhagdybiaeth debyg yn cael ei gwneud ar gyfer newidiadau a ragwelir yng nghyfradd cyflogwyr ar gyfer pensiynau athrawon. Yn y gorffennol, mae cyllid wedi dod o'r Trysorlys pan fo'r gyfradd wedi cynyddu.

33. Mae hyd yn oed y cynghorau sydd wedi diogelu ysgolion yn y blynyddoedd diwethaf yn dweud na allant roi'r un gefnogaeth yn y dyfodol o ystyried maint y bwch ariannu. Mae rhai wedi nodi pwysau ariannol ychwanegol ar ysgolion penodol sy'n gysylltiedig ag amddifadedd a gofynion Anghenion Dysgu Ychwanegol (ADY) sylweddol. Mae rhai datganiadau yn myfyrio ar sut mae penaethiaid yn dechrau adrodd am effaith ddinistriol y toriadau ar safonau addysgol - yn enwedig y gwaith bugeiliol / gofal estynedig y mae ysgolion yn ei wneud.

34. Mae canlyniad y pandemig a chostau ynni uchel yn parhau i roi pwysau ychwanegol ar ysgolion, a dywed rhai eu bod yn adolygu'r effaith y mae'r pandemig yn dal i'w chael ar ADY, presenoldeb ac ymddygiad. Fodd bynnag, yn gyffredinol mae ysgolion yn dechrau llosgi trwy eu cronfeydd wrth gefn ar y fath gyfradd fel eu bod yn ceisio benthyciadau i dalu am ddiffygion fel y dywedodd un ymateb: "...disgwylir i falansau ysgolion ostwng 50% yn y flwyddyn. Disgwylir felly y bydd llawer mwy o ysgolion yn ceisio trefniant benthyciad yn 24-25."

²Mae cyfanswm gwariant refeniw net wedi'i gyllidebu ar £7.373 biliwn yn 2023-24 (Ffynhonnell: Ffurflenni Cyfrif Refeniw Llywodraeth Cymru)



30 Tachwedd 2023

35. Mae'r rhan fwyaf o gynghorau yn gweithredu system o *Gytundebau Diffygion Trwyddedig* ac yn gwneud tybiaethau ynghylch lefelau ariannu yn y dyfodol. Mae'r rhagolygon y bydd rhai yn dychwelyd i fod ag arian dros ben yn dechrau edrych yn anobeithiol. Dywed un awdurdod ynghyd â hyn y bydd y mwyafrif, os nad pob un o'u hysgolion eraill, yn mynd i ddiffyg ariannol. Bydd rhai o'u hysgolion bach yn dod yn anghynladwy oherwydd y byddai cymarebau disgyblion/athro yn disgyn i lefelau annerbyniol. Mae llawer o gynghorau bellach yn adrodd am risg sylweddol o ddiswyddiadau ymysg staff cymorth ac athrawon. Daeth i ben drwy ddweud y byddai'r cylch hwn yn cynyddu o dan yr amgylchiadau presennol gyda mwy o athrawon yn cael eu diswyddo a rhai ysgolion yn methu â bodloni'r cymarebau disgybl/athro a argymhellir.
36. Cafwyd llawer o sylwadau ynghylch sut y bydd angen adolygu cynaliadwyedd nifer o ysgolion bach wrth i bwysau ariannol barhau. Fodd bynnag, gallai cost gynyddol cludiant i ysgolion cyfagos negyddu'r arbedion a wneir yn enwedig mewn ardaloedd gwledig. Adroddodd un awdurdod bod adolygiad o ddarpariaeth chweched dosbarth hefyd ar y gweill. Bydd cynaliadwyedd ariannol y ddarpariaeth bresennol yn cael ei ystyried fel rhan o'r adolygiad hwn.
37. Mae risgiau a phwysau ychwanegol sylweddol mewn ysgolion yn parhau o ran darpariaeth Anghenion Dysgu Ychwanegol (ADY), cynnydd yn nifer y disgyblion mewn addysg arbennig, canolfannau adnoddau a chyfleusterau i gefnogi disgyblion ag anawsterau cymdeithasol ac emosiynol. Credir bod rhan o hyn yn gysylltiedig ag ôl-ffeithiau'r pandemig. Nid yw anghenion cynyddol a chymhlethdod disgyblion yn cael eu hadlewyrchu yn y cyllid.

Gofal Cymdeithasol

38. Mae Cynghorau'n parhau i fod yn hynod bryderus am y pwysau presennol sy'n wynebu gofal cymdeithasol. Mae'r ymatebion i'r arolwg yn dangos effaith barhaus y pwysau cynyddol o ran demograffeg, costau byw, y gweithlu a chwyddiant sy'n wynebu pob rhan o'r system gofal cymdeithasol. Mae galw cynyddol am wasanaethau, a'r cymhlethdod cynyddol yn ychwanegu at y pwysau a'r pryderon hyn. Yr effaith yw nad yw cyllidebau'n ymestyn mor bell ag yr oeddent yn arfer gwneud; mae gofalwyr di-dâl a theuluoedd yn wynebu mwy o straen, ac mae recriwtio a chadw staff yn parhau i fod yn heriau enfawr.
39. Mae arolwg SWT yn dangos y pwysau sylweddol yn ystod y flwyddyn a wynebier ar draws gwasanaethau oedolion a phlant. Nododd yr arolwg werth £109 miliwn o bwysau yn ystod y flwyddyn ym maes gofal cymdeithasol, sef tua 4.7% o'r gwariant



refeniw net a gyllidebwyd³. Mae hyn yn adeiladu ar orwariant o £93 miliwn ar wasanaethau cymdeithasol yn y flwyddyn ariannol flaenorol.

40. Mae'r heriau ariannol sylweddol yn parhau yn 2024-25 a thu hwnt. Yn y flwyddyn ariannol nesaf mae pwysau o £261 miliwn sy'n cynrychioli cynnydd o 11.3% yn y cyllidebau presennol. Mae costau comisiynu, chwyddiant cyflogau a chwyddiant nad yw'n gysylltiedig â chyflogau yn cyfrif am £180 miliwn o'r pwysau, ac mae'r gweddill o ganlyniad i alw sy'n cyfrif am £81 miliwn. Mae £187 miliwn yn ychwanegol yn 25-26, a £198 miliwn yn 26-27 yn y drefn honno gan roi cyfanswm cronol o £646 miliwn.
41. Mae gwasanaethau a gomisiynir, sy'n hanfodol i ddarpariaeth gofal cymdeithasol, gan ddarparwyr annibynnol hefyd yn cael eu heffeithio gan faterion tebyg i wasanaethau gofal cymdeithasol awdurdodau lleol. Mae costau rhedeg uwch o ran staff ac ynni, yn ogystal â chynnydd o ran yswiriant a thanwydd, yn ychwanegu fwyfwy at bwysau ariannol sylweddol. Ynghyd â galw cynyddol, cymhlethdod anghenion a phrinder gweithlu, mae hyn wedi arwain at gostau uwch ac felly gwariant uwch i gynghorau ar gostau cynyddol lleoliadau ar draws gwasanaethau oedolion a phlant. Mae awdurdodau lleol wedi tynnu sylw at hyn fel risg sylweddol. Mae un awdurdod lleol yn nodi bod cartrefi preswyl a nyrsio yn ceisio codi ffioedd o tua 20% ac mae un arall wedi gweld cynnydd o tua 10% mewn ffioedd ym mhob un o'r ddwy flynedd ddiwethaf. Er bod codiadau yn cael eu cynnwys mewn cynllunio ariannol tymor canolig, mae pryderon yn parhau ynghylch y tebygolrwydd y bydd galw am gynnydd uwch ac felly costau pellach i awdurdodau lleol.
42. Mae'r arolwg yn dangos bod y farchnad gofal cymdeithasol yn parhau i fod yn fregus, ac mae hyn yn effeithio ar gynaliadwyedd hirdymor y sector. Mae hefyd yn datgelu pryderon cynghorau ynghylch y galw cynyddol am wasanaethau oedolion a phlant, eu capasiti a'r adnoddau sydd ar gael i fodloni'r gofynion hyn, ynghyd â gostyngiadau yn yr ansawdd a'r dewis sydd ar gael. Mae anhawster recriwtio a chadw gweithwyr gofal yn parhau i fod yn bryder mawr a amlygwyd gan gynghorau. Er mwyn lliniaru rhai o'r heriau recriwtio a chadw mae rhai cynghorau yn parhau i orfod dibynnu ar ddefnyddio staff asiantaeth ac mae'r costau hyn yn ychwanegu ymhellach at bwysau ariannol yn y blynyddoedd i ddod.
43. Mae'r arolwg yn amlygu pryderon sy'n parhau i gael eu codi mewn perthynas â darparu pecynnau gofal. Mae galw cynyddol, ynghyd â diffyg darparwyr addas, wedi'i nodi'n flaenorol fel problem wrth ddarparu gofal cartref. Nododd awdurdodau lleol gynnydd yng nghymhlethdod y pecynnau cartrefi gofal y mae angen eu rhoi ar waith, ochr yn ochr â chostau cynyddol sy'n golygu y gall cynghorau ei chael yn anodd cael digon o gapasiti i allu diwallu'r angen a aseswyd a sicrhau bod y ddarpariaeth gofal yn gynaliadwy. Tynnwyd sylw hefyd at faterion yn ymwneud â mynediad at Ofal Iechyd Parhaus a oedd yn golygu bod awdurdodau lleol yn

³Mae cyfanswm gwariant refeniw net wedi'i gyllidebu ar £7.373 biliwn yn 2023-24 (Ffynhonnell: Ffurflenni Cyfrif Refeniw Llywodraeth Cymru)



parhau i orfod ariannu'r mwyafrif, os nad y cyfan, o'r pecynnau gofal hyn yn hytrach nag iechyd. Yn ogystal, mae rhai awdurdodau wedi cyfeirio at effeithiau ariannol 'Twristiaeth' Gofal Cymdeithasol lle mae cleientiaid yn symud draw o Loegr i elwa ar y terfynau trothwy cyfalaf mwy hael yng Nghymru wrth symud i gartref gofal. Mae Cynghorau hefyd yn gweld unigolion sydd wedi wynebu oedi cyn cael mynediad at ofal iechyd ac felly wrth gyrraedd y gwasanaethau cymdeithasol mae ganddynt anghenion mwy dibynnol sy'n mynnu darpariaeth gofal mwy costus.

44. Mae Cynghorau hefyd yn adrodd eu bod wedi gweld cynnydd yn y galw ac achosion mwy cymhleth mewn grwpiau cleientiaid penodol. Er enghraifft, mae pwysau a chostau pecynnau gofal a chymorth ar draws gwasanaethau iechyd meddwl ac anabledd dysgu wedi'u nodi yn yr ymatebion i'r arolwg. Tynnodd un awdurdod lleol sylw at y niferoedd cynyddol o bobl dan 65 oed ag anabledd dysgu sydd angen cymorth a fydd yn parhau am flynyddoedd i ddod.
45. Tynnwyd sylw at effeithiau'r argyfwng costau byw sy'n arwain at bwysau cynyddol ar deuluoedd sydd wedi golygu bod rhai cynghorau'n gweld cynnydd yn niferoedd y plant sy'n mynd i ofal. Mae pryderon yn parhau i gael eu hamlygu ynghylch yr heriau o ran dod o hyd i leoliadau priodol o ansawdd i blant a phobl ifanc. Yn benodol, darpariaeth annigonol ar gyfer plant ag anghenion cymhleth gyda diffyg lleoliadau maethu a phreswyl. Tynnwyd sylw at lefelau digynsail yn niferoedd y rheiny a osodir mewn lleoliadau preswyl brys, mwy o ddefnydd o leoliadau annibynnol a mwy o bwysau i ddod o hyd i leoliadau maeth, ynghyd â chostau lleoliadau y tu allan i'r sir yn parhau i godi a'r galw am leoliadau arbenigol yn uwch na'r cyflenwad. Nodwyd costau wythnosol o hyd at £20,000 yr wythnos ar gyfer lleoliadau a dywedodd un awdurdod lleol fod cyllideb ei wasanaethau plant wedi gweld cynnydd o £11 miliwn (56%) dros y 3 blynedd diwethaf, a chynnydd o £6.6 miliwn (44%) mewn costau lleoliadau arbenigol dros yr un cyfnod.
46. Mae canlyniad y pwysau presennol ar leoliadau a systemau wedi golygu bod angen i awdurdodau lleol o dan rai amgylchiadau orfod ystyried sefydlu trefniadau lleoli pwrpasol ar gyfer plant a phobl ifanc sy'n gweithredu heb gofrestru o dan Ddeddf Rheoleiddio ac Arolygu Gofal Cymdeithasol (Cymru) 2016. Mae'r mathau hyn o leoliadau yn rhoi pwysau ychwanegol ar awdurdodau lleol, maent yn ddord ac yn dargyfeirio cyllid oddi wrth waith atal i reoli lleoliadau. Mewn ymateb mae cynghorau yn ceisio creu eu darpariaeth fewnol eu hunain, ond mae hyn yn cymryd amser ac adnoddau i'w sefydlu.
47. Roedd yr ymatebion i'r arolwg hefyd yn cyfeirio rhywfaint at y cyfeiriad o ran polisi yng Nghymru sy'n arwain at bwysau ariannol cynyddol. Amlygwyd bod yr ymrwymiad i ddileu elw preifat o ofal plant sy'n derbyn gofal yn cael effaith andwyol ar argaeledd lleoliadau. Mae risgiau'n gysylltiedig â digonolrwydd y cyllid grant i dalu costau pontio yn llawn a nodwyd y risg bod posibilrwydd na fydd y cyfnod pontio yn ymestyn y tu hwnt i'r cyfnod ariannu presennol yn 2024-25. Roedd yr ymatebion i'r arolwg hefyd yn cydnabod bod yr angen i leoli plant drwy'r Cynllun Trosglwyddo Cenedlaethol (NTS) wedi cynyddu pwysau o ran costau ac wedi



30 Tachwedd 2023

arwain at Blant ar eu Pen eu Pen eu Hunain sy'n Ceisio Lloches (UASC) yn aml yn cael eu lleoli y tu allan i'r sir/gwlad i ddiwallu eu hanghenion a nodwyd sy'n arwain at bwysau sylweddol o ran costau. O ganlyniad i ddyfarniadau llys diweddar, amlygwyd y gallai hyn arwain at gynnydd mewn plant UASC y bydd angen eu lleoli mewn lleoliadau sy'n prnhau o hyd.

48. Yn yr un modd, codwyd pryderon ynghylch lleihau'r Gronfa Integreiddio Ranbarthol ac adlewyrchwyd y byddai unrhyw ostyngiadau mewn lefelau cyllid grant ar draws y gwasanaethau cymdeithasol yn golygu bod angen cynnal adolygiadau o'r gwasanaethau a ddarperir a'r risg y byddai angen ystyried cynigion i leihau gwasanaethau fel rhan o hyn. . Tynnwyd sylw hefyd at weithrediad y Cyflog Byw Gwirioneddol ar gyfer gweithwyr gofal cymdeithasol ac er bod cyllid yn cael ei ddarparu gan Lywodraeth Cymru i gefnogi hyn, mae angen ystyried ymhellach effaith gwahaniaeth pris uwch staff/rheolwyr a phryderon nad yw cyllid yn cael ei ddarparu ar yr un cyflymder â'r costau ychwanegol sy'n gysylltiedig â gweithredu'r polisi hwn, gyda chynghorau'n gorfod parhau i gefnogi darparwyr i allu cyflawni'r ymrwymiad hwn. Un awgrym a gyflwynwyd gan gynghorau mewn ymateb i rai o'r heriau sy'n cael eu gweld yw'r angen i adolygu'r uchafswm tâl presennol ar gyfer gofal dibreswyl.
49. Yn gynharach eleni cyhoeddodd CLILC waith [ymchwil](#) a oedd yn edrych ar yr heriau sy'n wynebu'r sector gofal cymdeithasol a blaenoriaethau llywodraeth leol ar gyfer gofal cymdeithasol. Nododd y gwaith ymchwil bod y system o dan bwysau aruthrol oherwydd: newidiadau demograffig cyflym ledled Cymru; effaith barhaus pandemig COVID-19; heriau gweithlu; anawsterau ariannu; a'r cynnydd mewn costau byw. Roedd materion gweithlu ar frig y rhestr o bryderon allweddol, ynghyd â diffyg cyllid cynaliadwy, a heriau sy'n gysylltiedig â diwallu anghenion mwy cymhleth. Mae amcangyfrifon ariannol y 22 o gynghorau yng Nghymru yn cefnogi'r casgliadau hyn ymhellach ond maent hefyd yn codi'r pryder gwirioneddol, gyda maint yr heriau ariannol sy'n cael eu hwynebu, na fydd lefel yr amddiffyniad sydd wedi'i roi i wasanaethau cymdeithasol hyd yma yn bosibl am lawer hirach gan beryglu gallu'r cynghorau i ddarparu gwasanaethau gofal cymdeithasol yn llwyddiannus yn y dyfodol.

Wcráin ac ymfudo ehangach

50. Mae Cymru'n falch o'i hanes o gefnogi pobl sydd wedi cyrraedd yn ceisio lloches ac wrth groesawu ffoaduriaid. Mae llywodraeth leol yn gweithio'n agos gyda Llywodraeth Cymru i gyflawni uchelgais Cymru fel Cenedl Noddfa ac i ddatblygu dull seiliedig ar le sy'n adlewyrchu'r cyfraniadau y gall gwahanol ardaloedd eu gwneud yn y ffordd orau. Fodd bynnag, nid yw'r gwaith hwn heb ei gostau i gynghorau a chyrrff cyhoeddus eraill, ac er bod lloches a mudo yn faterion a gadwyd yn ôl, mae'r cyllid a ddarperir gan Lywodraeth y DU i dalu'r costau a ysgwyddir gan y cynghorau yn gyfyngedig.



30 Tachwedd 2023

51. Fel yr amlygwyd yn yr adran uchod, mae'r Cynllun Trosglwyddo Cenedlaethol ar gyfer plant ar eu pen eu hunain yn bwysau cost sylweddol ar gynghorau. Er bod y Swyddfa Gartref yn darparu rhywfaint o gyllid, nid yw hyn yn ddigon i dalu costau llawn gofal, yn enwedig ar gyfer unrhyw achosion cymhleth ac wrth i nifer y plant UASC sy'n derbyn gofal gan gynghorau Cymru gynyddu, mae cynghorau ar eu colled yn ariannol. Mae'r cyllid ar gyfer y rhai sy'n gadael gofal hefyd yn fach iawn ac wrth i'r grŵp hwn gynyddu bydd y bwch ariannu hwn yn cynyddu hefyd.
52. Fodd bynnag, daw'r gost fwyaf o wasgaru ceiswyr lloches ar draws holl gynghorau Cymru, ond mae i'w gweld yn fwy amlwg yn yr ardaloedd gwasgaru lloches hirsefydlog. Mae'r cyllid a ddarperir gan y Swyddfa Gartref, a gyflwynwyd yn ddiweddar, yn fychan er gwaethaf llawer o effeithiau ar y lefel leol a gwasanaethau, er enghraifft, mynediad at dai, ysgolion, gwasanaethau cymdeithasol, cyngor a gwybodaeth.
53. Bydd y Broses Lloches Syml a gyflwynwyd yn ddiweddar wrth i'r Swyddfa Gartref anelu at glirio'r ôl-groniad o achosion lloches sy'n aros am benderfyniadau, yn effeithio'n sylweddol ar Gaerdydd, Abertawe, Casnewydd a Wrecsam o ran cyflwyniadau digartrefedd a gwasanaethau cymorth, sydd eisoes dan straen aruthrol ar hyn o bryd. Mae'n amlwg nad yw cynghorau'n cael eu hariannu'n ddigonol gan Lywodraeth y DU er mwyn cynllunio ac ymateb i effeithiau rhoi llety i geiswyr lloches ar lefel leol ac mae'n debygol y bydd y pwysau hwn yn cynyddu wrth i wasgariad llawn barhau.

Tai a digartrefedd

54. Mae Cymru wedi parhau â'r dull o "neb wedi'i adael allan" mewn perthynas â digartrefedd, yn dilyn diwedd yr argyfwng iechyd cyhoeddus. Cefnogir y dull hwn gan Gynghorau, ond mae nifer yr aelwydydd sy'n cysylltu â'r Cynghorau am gymorth wedi parhau i gynyddu. Mae'r cynnydd parhaus hwn mewn cyflwyniadau digartrefedd i Gynghorau yn y cyfnod ers y pandemig yn golygu bod mwyafrif llethol y gwasanaethau digartrefedd craidd bellach yn delio ag argyfyngau yn unig ac yn methu â gweithio i atal digartrefedd. Bydd y Papur Gwyn a gyhoeddwyd yn ddiweddar ar ddigartrefedd hefyd yn rhoi pwysau ariannol ychwanegol ar gynghorau ac mae'n bwysig bod asesiad cadarn a thrylwyr o oblygiadau ariannol unrhyw gynigion deddfwriaethol yn cael ei gynnal, mewn partneriaeth, fel bod lefelau priodol o gyllid yn cael eu darparu o ran gweithredu.
55. Mae'r data diweddaraf yn adlewyrchu bod mwy na 11,000 o bobl mewn llety dros dro ar hyn o bryd. Daw hyn ar gost sylweddol i gyllidebau cynghorau ac nid yw lefel y cyllid a ddarperir gan Lywodraeth Cymru yn cyd-fynd â'r cynnydd yn y galw ac mae'r adborth o'r arolwg a gynhaliwyd yn adlewyrchu gorwariant ar gyllidebau



30 Tachwedd 2023

digartrefedd ac yn bwysau ariannol cynyddol ar gynghorau. Cyfeiriodd un awdurdod at bwysau digartrefedd a gyfrannodd at orwariant o £660,000 yn y flwyddyn bresennol gan fod y galw yn fwy na'r gyllideb sydd ar gael. Mae'r gyllideb Cefnogi Pobl hefyd yn hollbwysig i gefnogi pobl ddigartref a'r rhai sydd mewn perygl, gan gynnwys cyllid i gyrff trydydd sector, ac mae CLILC yn pwysleisio'r angen i gynnal y lefel bresennol o gyllid os nad oes cyllid ychwanegol ar gael.

56. Mae adeiladu mwy o gartrefi yn hanfodol er mwyn sicrhau bod gennym ddigon i bawb sydd eu hangen, pan fydd eu hangen. Mae'r Cynghorau hynny sydd â stoc tai yn gweithredu rhaglenni adeiladu newydd uchelgeisiol, ac yn ceisio caffael cartrefi presennol (sy'n aml yn gyn eiddo Hawl i Brynu) i gynyddu nifer y cartrefi sydd ar gael ar gyfer rhent cymdeithasol. Mae eraill yn gweithio gyda phartneriaid Landlordiaid Cymdeithasol Cofrestredig (LCC) i sicrhau yr eir i'r afael â'r angen a nodwyd am dai. Mae pob cyngor hefyd yn gweithio gyda phartneriaid LCC i adeiladu cartrefi rhent cymdeithasol carbon isel newydd. Mae'n bwysig felly sicrhau bod cyllid cyfalaf ar gael i gefnogi adeiladu tai cymdeithasol ar y cyflymder a'r raddfa sydd eu hangen i leihau dibyniaeth ar lety dros dro a sicrhau y gellir diwallu anghenion tai dinasyddion.

57. Mae cynghorau'n cefnogi cyflawni amcanion tai allweddol Llywodraeth Cymru, a nodir yn y Rhaglen Lywodraethu, fodd bynnag, mae angen cyllid digonol i alluogi darpariaeth lwyddiannus. Yn ogystal â'r materion uchod, mae pwysau ariannol arall ym maes tai yn deillio o ddiwygio'r drefn diogelwch adeiladau, y Safon Ansawdd Tai Cymru ddiwygiedig, pwysau ar y gweithlu a llenwi unrhyw fylchau (er enghraifft adroddiad diweddar Archwilio Cymru ar Reoli Adeiladu) a'r uchelgeisiau mewn perthynas â datgarboneiddio mwy o gartrefi.

Priffyrdd, Cludiant, Gwasanaethau Economaidd ac Amgylcheddol

58. Mae gwaith cynnal a chadw hanfodol ar rwydweithiau priffyrdd a Theithio Llesol ac adeileddau cysylltiedig yn hanfodol ar sail diogelwch ac economaidd (ac i leihau hawliadau yswiriant), yn enwedig yn wyneb digwyddiadau tywydd mwy eithafol. Dros y blynyddoedd diwethaf, mae Llywodraeth Cymru wedi darparu cymorth refeniw ychwanegol drwy'r Fenter Benthycu Llywodraeth Leol (tua £170 miliwn rhwng 2012-13 a 2015-16) ac yna cyfres o grantiau refeniw gwerth tua £20 miliwn y flwyddyn. Yn 2021-22 roedd opsiwn ar gyfer gwariant priffyrdd fel rhan o ddyraniad cronfa gyfalaf gyffredinol o £70 miliwn y gellid ei ddwyn ymlaen i 2022-23 drwy ddadleoli. Fodd bynnag, ni ddyfarnwyd grant ar gyfer 2023-24.

59. Mae cefnogaeth i wasanaethau bysiau yn parhau i fod yn bryder mawr. Gyda'r Gronfa Pontio Bysiau (BTF) i fod i ddod i ben ym mis Mawrth 2024, bydd angen i wasanaethau bysiau ddychwelyd i gyfuniad o wasanaethau masnachol a



gwasanaethau cymorthdaledig o 1 Ebrill. Yn ystod 2022-23, ailgyfeiriwyd tanwariant ar y gyllideb Tocynnau Teithio Rhatach i'r BTF i gefnogi gwasanaethau. Fodd bynnag, wrth deithiau tocynnau teithio rhatach gynyddu'n raddol ar ôl Covid, rhagwelir y bydd y tanwariant yn llai yn 2023-24. Er y bydd yr incwm cynyddol o ad-daliadau tocynnau teithio rhatach yn help i weithredwyr, mae ansicrwydd ynghylch incwm i wasanaethau, ynghyd â'r angen i roi hysbysiad statudol o ganslo gwasanaeth, yn creu risg pellach o doriadau. Galwyd am arwydd cynnar o gyllid gan Lywodraeth Cymru ar gyfer y flwyddyn nesaf. Mae'n debygol y bydd dyraniadau rhanbarthol yn cael eu gwneud yn y lle cyntaf i hwyluso cynllunio'r rhwydwaith, ac yna i gynghorau unigol dendro gwasanaethau cymorthdaledig. Rhagwelir yn eang y bydd y costau tendro yn uchel oherwydd cynnydd mewn costau tanwydd a llafur yn arbennig. Bydd hyn hefyd yn effeithio ar gostau cludiant o'r cartref i'r ysgol lle disgwylir cynnydd sylweddol.

60. Mae prinder staff technegol a gyrywyr cerbydau HGV ac anawsterau recriwtio yn effeithio ar draws yr holl wasanaethau yn y meysydd hyn, gyda staff yn cael eu denu i ffwrdd gan gyflogau uwch mewn sectorau eraill. Mae hyn hefyd yn effeithio ar ymdrechion i redeg cynlluniau prentisiaeth i ddenu pobl newydd, oherwydd gallant gael eu denu i ffwrdd unwaith y byddant wedi'u hyfforddi.
61. Wrth i waith Cydbwyllgorau Corfforaethol, a disgwyliadau arnynt, godi, mae hon yn ffynhonnell arall o bwysau ariannol ar gynghorau. Mae gwaith yn dechrau ar Gynlluniau Datblygu Strategol a Chynlluniau Trafnidiaeth Rhanbarthol. Mae angen cydgysylltu hyn â'r defnydd o bŵer llesiant economaidd (pŵer sy'n cydreddeg â chynghorau). Mae Llywodraeth Cymru yn bwriadu darparu £125,000 i bob rhanbarth ar ôl cynhyrchu cynlluniau gweithredu'r Cynllun Trafnidiaeth Rhanbarthol ond mae pob rhanbarth wedi nodi y bydd angen rhagor o gyllid i fwrw ymlaen â'r cynlluniau hyn mewn ffordd ystyrlon.
62. Bydd rheoliadau gweithle newydd a ddaw i rym o fis Ebrill 2024, sy'n gofyn am gyflwyno ffrydiau gwastraff ar wahân i'w casglu, yn cynyddu costau i ysgolion ac adeiladau'r cyngor. Gallent hefyd weld bod gofyn i gynghorau ddarparu casgliadau ar wahân o eiddo masnachol mewn achosion lle nad oes gwasanaeth sector preifat ar gael.
63. Mae costau ynni uwch wedi effeithio yn y meysydd gwasanaeth hyn, yn enwedig ar gostau casglu gwastraff, fflyd, ynni ar gyfer adeiladau a goleuadau stryd.
64. Mae clefyd coed ynn yn parhau i fod yn risg fawr, yn enwedig lle mae coed wrth ymyl y briffordd ac angen eu symud. Amcangyfrifwyd bod cyfanswm y costau bron i £15 biliwn ar gyfer Prydain Fawr i gyd. Heblaw am ddefnyddio cynllun Grant Adfer Gwyrdd tymor byr, nid oes unrhyw arian ychwanegol wedi'i roi i gynghorau ar gyfer y gwaith hanfodol hwn.



Cyfalaf

65. Casglodd yr arolwg dystiolaeth hefyd am raglenni cyfalaf a phwysau. Mae'r ymatebion yn nodi y bydd setliad refeniw tynn yn effeithio ar raglenni cyfalaf. Ar draws rhaglenni cyfalaf rydym yn gweld cynnydd mewn costau o'r adeg y cymeradwywyd y rhaglen ar y cam dichonoldeb, i'r cam dylunio a datblygu prosiectau cyfalaf, oherwydd y cyfraddau chwyddiant presennol ac ansefydlogrwydd y farchnad adeiladu. Gydag ychydig neu ddim cyllid ychwanegol ar gael, bu llawer o ail-flaenoriaethu rhwng cynlluniau a lleihau cynlluniau lle bo modd.
66. Mewn perthynas â Rhaglen Band B Ysgolion yr Ugeinfed Ganrif ar Hugain, mae llawer o awdurdodau yn adrodd am ostyngiad yn nifer y cynlluniau sydd bellach yn fforddiadwy yn erbyn yr hyn a ragwelwyd pan osodwyd y rhaglen gyntaf yn unol â'r amlen ariannu. Ar ôl cwblhau prosiectau Band A a'r mwyafrif o brosiectau Band B, mae cynghorau'n ystyried pa mor gynaliadwy fydd parhau i ddefnyddio benthycu, i gefnogi ei ganran o'r gyfradd ymyrryd wrth symud ymlaen i ailadroddiad nesaf y rhaglen, o ystyried effaith pwysau benthycu ar Strategaeth Ariannol Tymor Canolig y Cyngor (MTFS). Bydd dogni tebyg yn digwydd ar gyfer rhaglen nesaf Cymunedau Cynaliadwy LIC.
67. Pan fydd grantiau'n cael eu tynnu'n ôl, mae risgiau penodol i wasanaethau. Er enghraifft, mae cael gwared ar y Grant Adnewyddu Priffyrdd Cyhoeddus yn parhau i roi pwysau sylweddol ar yr adnoddau y gall cynghorau eu dyrannu i Gynlluniau Rheoli Asedau Priffyrdd. Gyda'r cynnydd mewn costau a'r gostyngiad yn y gyllideb, mae'n anodd cyflawni'r swm o waith sydd ei angen i gynnal y cyflwr cyson o fuddsoddiad sy'n ofynnol ar gyfer ail-wynebu, adeileddau, goleuadau stryd a goleuadau traffig.
68. Bydd effaith ansefydlogrwydd y farchnad yn parhau i gael ei monitro'n agos yn ystod y flwyddyn ariannol hon. Gallai ail-broffilio cynlluniau o flynyddoedd blaenorol effeithio ar y gwaith cyflawni yn ystod y flwyddyn, gan arwain at lefel uchel o geisiadau dwyn ymlaen i ail-osod cyllidebau i raglen 2024-25.
69. Mae cyllid grant ychwanegol gan LIC bob amser yn cael ei groesawu a'i werthfawrogi, ond mae'r ffaith bod cymaint o hysbysiadau hwyr am gyllid yn ei gwneud hi'n anoddach disodli gwariant yn ystod y flwyddyn gyda grant. Byddai mwy o hyblygrwydd ynghylch pryd/sut y mae angen gwario'r grant yn fuddiol. Byddai hyn yn galluogi gwasanaethau â chynlluniau cynllunio i ddarparu gwerth am arian, a chefnogaeth gyda'r anghenion dybryd y mae'r Cyngor yn eu hwynebu. Byddai unrhyw arian cyfalaf sydd ar gael ar gyfer cynlluniau a fydd yn helpu i leihau pwysau refeniw mewn cysylltiad â digartrefedd a chostau y tu allan i'r sir hefyd yn cael ei groesawu.



70. Y brif ffynhonnell ariannu yw'r Bwrdd Benthyciadau Gwaith Cyhoeddus ac mae cyfraddau hirdymor yn tua 5% ar hyn o bryd, er bod llawer o ansefydlogrwydd yn y marchnadoedd. Mae hyn yn sylweddol uwch na'r cyfraddau pan osodwyd rhaglenni cyfalaf ym mis Mawrth 2022. Mae hyn yn peri risg sylweddol i fforddiadwyedd a chynaliadwyedd, yn enwedig o ran cynlluniau tai ac isadeiledd asedau craidd helaeth y tybir y telir amdano drwy fenthyca.

Newid yn yr Hinsawdd

71. Mae cynghorau wedi gwneud nifer o ymrwymadau i gyfrannu at y targed o allyriadau sero net yn y sector cyhoeddus erbyn 2030. Mae llawer o'r camau sydd eu hangen yn ymwneud â buddsoddi cyfalaf (e.e. mewn perthynas ag eiddo ac ynni, trawsnewid fflyd, datgarboneiddio tir). Bydd angen ystod eang o ffrydiau ariannu i wneud y math o newidiadau sydd eu hangen ar y cyflymder gofynnol. Gallai hynny gynnwys benthycia i dalu costau ymlaen llaw y bydd yn rhaid wedyn eu had-dalu o gyllidebau refeniw dros nifer o flynyddoedd. Gallai hefyd gynnwys prydlesu neu logi (e.e. ar gyfer cerbydau) yn hytrach na gwariant cyfalaf. Mae goblygiadau o ran y gweithlu y bydd angen mynd i'r afael â nhw, gan weithio gydag undebau mewn dull partneriaeth gymdeithasol. Mae hyn yn cynnwys ailhyfforddi a recriwtio mewn llawer o achosion (e.e. cynnal a chadw cerbydau; rheoli ynni a'r amgylchedd; dulliau cyfrifyddu ariannol). Mae'r prinder llafur presennol mewn llawer o swyddi 'gwyrdd' mewn cynghorau wedi amlygu nid yn unig y prinder staff â'r sgiliau gofynnol, ond hefyd y gwahaniaethau mewn cyflogau gyda'r sector preifat, a bod cadw staff hyfforddedig yn broblem gynyddol.

72. Mae mesurau pwysig eraill yn ymwneud â chaffael, lle mae angen i gynghorau leihau allyriadau 'Cwmpas 3', sy'n ymwneud (ymysg pethau eraill) â'r nwyddau a'r gwasanaethau a brynir ganddynt. Lle mae cyflenwyr wedi datblygu cynlluniau carbon i leihau allyriadau sy'n gysylltiedig â'u nwyddau a'u gwasanaethau, bydd y costau uniongyrchol yn tueddu i fod yn uwch (er bod manteision amgylcheddol, a chymdeithasol ac economaidd ehangach yn aml – e.e. yn deillio o brynu'n lleol). Ar adeg o bwysau ariannol sylweddol, bydd yn her i gynghorau 'wneud y peth iawn' yn hytrach na dewis yr opsiwn mwyaf fforddiadwy.

73. Bydd camau gweithredu newid yn yr hinsawdd yn cael eu had-dalu (o ran addasu yn ogystal â lliniaru). Fodd bynnag, y materion dan sylw, yn gyntaf, yw'r amserlenni ar gyfer yr ad-daliad hwinnw ac, yn ail, nad yw llawer o'r manteision yn dod i'r cyngor mewn ystyr uniongyrchol neu ariannol. Yn hytrach, byddant yn aml yn cyfrannu at nodau lles ar gyfer y gymuned ehangach – er enghraifft mwy o swyddi lleol, bwyd iachach, amgylchedd o ansawdd gwell, enillion bioamrywiaeth, mwy o wydnwch yn erbyn tywydd eithafol yn y dyfodol. Y risg yw y bydd y mesurau angenrheidiol yn argyfwng o bwysau ariannol presennol, gan achosi iddynt gael eu gohirio, ond yn ddelfrydol dylid eu blaenoriaethu i sicrhau amseroldeb a'r effaith fwyaf bosibl.



30 Tachwedd 2023

74. Mae'r Panel Strategaeth Hinsawdd (CSP) wedi sefydlu pedwar grŵp tasg a gorffen, dan gadeiryddiaeth y Prif Weithredwyr, i oruchwylio ac ysgogi cynnydd mewn perthynas ag ymrwymadau llywodraeth leol tuag at fod yn ddi-garbon net. Mae'r rhain yn cwmpasu meysydd allweddol caffael, cludiant, defnydd tir ac adeiladau. Mae'r CSP hefyd yn sefydlu grŵp i ganolbwyntio ar addasu. Mae Pwyllgor Newid Hinsawdd y DU wedi cynhyrchu dau adroddiad pwysig yn ddiweddar ar gynnydd yng Nghymru, a hynny ym meysydd lliniaru ac addasu sydd â goblygiadau ariannol i lywodraeth leol.

75. O ran **lliniaru/leihau allyriadau**, gwnaeth y pwyntiau canlynol o berthnasedd i gynghorau (sy'n gofyn am gymysgedd o fesurau cyfalaf a referniw):

- Rhaid cyflymu camau gweithredu cyffredinol ar ddatgarboneiddio
- Mae cynnydd ar wastraff ac ailgylchu, er ei fod yn hanesyddol dda yng Nghymru, wedi arafu ac mae angen ail-godi hyn.
- Mae angen mwy o ymdrech i drosglwyddo i ddefnyddio cerbydau trydan
- Mae angen cynlluniau hirdymor i ddatgarboneiddio adeiladau cyhoeddus, tai cymdeithasol a chartrefi sydd â thlodi tanwydd.
- Mae cyfraddau plannu coed ac adfer mawndir yn rhy isel, ac mae angen meithrin gallu a datblygu sgiliau

76. O ran **addasu/gwella gwytnwch** i newid yn yr hinsawdd, amlygodd:

- Mae gan yr hinsawdd newidiol risgiau i isadeiledd, ecosystemau, cymunedau a'r economi
- Mae angen gweithredu ar frys ar tua hanner y 61 o risgiau a chyfleoedd sydd wedi'u nodi ar gyfer Cymru cyn i gynllun addasu nesaf Llywodraeth Cymru gael ei gynhyrchu yn 2024.
- Nid oes digon o gynnydd o ran gweithredu mesurau ac mae'r monitro'n wael, sy'n ei gwneud yn anodd arfarnu cynnydd
- Mae diffyg eglurder o ran cyfrifoldebau ar gyfer ymateb i risgiau hinsawdd ar draws y sector cyhoeddus
- Os nad eir i'r afael â risgiau hinsawdd, ni fydd nodau cymdeithasol eraill yn cael eu cyflawni.

77. Mae gwaith y grwpiau tasg a gorffen yn cael ei lywio gan waith UKCCC. Mae llawer o'r hyn sydd angen ei wneud yn gofyn am gyfalaf ymlaen llaw a chyllid referniw cefnogol. Fodd bynnag, mewn sawl achos bydd adenillon ariannol ar fuddsoddiad yn ogystal ag arbedion carbon. Mae yna hefyd arbedion ariannol mwy anniriaethol 'yn nes ymlaen' o ran atal gwariant yn y dyfodol o orfod ymateb i effeithiau newid hinsawdd (e.e. llifogydd, difrod i isadeiledd, cau ffyrdd, difrod stormydd, problemau iechyd ac ati). Mae cyllidebau cynnal a chadw yn aml yn dioddef ar adeg o gyfyngiadau ariannol, ond bydd yn hanfodol diogelu'r rhain er mwyn darparu'r gwytnwch sydd ei angen.



Casgliad

78. I gloi, mae ein hamcangyfrifon presennol o bwysau yn parhau i fod yn hynod o uchel. Heb ragor o arian, mae awdurdodau lleol yn wynebu penderfyniadau amhosibl. Byddai unrhyw ddychwelyd i galedi yn drychinebus i'r gwasanaethau ataliol y mae llywodraeth leol yn eu darparu a'r bobl sy'n dibynnu arnynt. Byddai'n drychinebus i'r GIG sy'n dibynnu ar system ofal wedi'i hariannu'n dda ac yn gwbl ddigalon i'n gweithlu.

79. Dros yr ychydig fisoedd diwethaf, bu diddordeb o'r newydd yng ngwydnwch ariannol awdurdodau lleol, yn enwedig gyda rhai enghreifftiau proffil uchel o fethiant yn Lloegr. Yn ôl CIPFA, gall achosion methiant fod yn gymhleth gydag un digwyddiad yn arwain rhai at gyhoeddi hysbysiadau a114. Fodd bynnag, mae'n amlwg i ni fod caledi a'r gostyngiadau parhaus mewn cyllid yn ffactor achlysurol sylfaenol cyson. Mae gan ein haelodau ein hunain fwy o ymwybyddiaeth a diddordeb yn y mater a'r hyn y gellir ei wneud i atal methiant ariannol.

80. Yr wythnos diwethaf cyhoeddodd Llywodraeth Cymru gyfres o fesurau cyllidebol i fynd i'r afael â'r broblem yn ystod y flwyddyn sydd wedi cronni. Er ein bod yn parhau i bryderu ynghylch sut y gallai hyn orlifo i 2024-25, rydym yn ddiolchgar bod y Gweinidog wedi diogelu gwasanaethau lleol ac rydym yn parhau i groesawu'r dull partneriaeth yr ydym wedi'i feithrin gyda Llywodraeth Cymru, a'r berthynas waith agos sydd wedi datblygu yn y blynyddoedd diweddar rhwng gweinidogion ac arweinwyr. Rydym wedi ymrwymo i barhau gyda'r dull hwnnw er mwyn diogelu ein blaenoriaethau a rennir rhag yr effeithiau gwaethaf o'r stormydd economaidd sydd i ddod.

Cliriwyd gan: Cynghorydd Anthony Hunt, Llefarydd CLILC ar Gyllid

Awduron: Jon Rae, Cyfarwyddwr Adnoddau
Nathan Gardner, Rheolwr Cyllid

Rhif ffôn: [REDACTED]

E-bost: [REDACTED]



ATODIAD I

Pwysau ariannol a ragfyneir ar gyfer blwyddyn 2023-24 (dros y gyllideb)

	Rhagolygon Pwysau Ariannol 2023-24 £000oedd
<u>A. Cysylltiedig ag Awdurdod Lleol</u>	
Pwysau chwyddiant cyflog	17,078
Pwysau chwyddiant nad yw'n gysylltiedig â chyflog	12,901
Pwysau chwyddiant (sefydlog)	29,979
Pwysau Ariannol	
a. Pwysau mewn perthynas â galw	28,543
b. Pwysau cyllido cyfalaf	-
c. Gostyngiad mewn grantiau penodol	2,013
d. Blaenoriaethau lleol	1,002
e. Arall	3,664
Pwysau Cyllideb ALI	33,004
Cyfanswm cysylltiedig ag ALI	62,983
<u>B. Ysgolion</u>	
Pwysau chwyddiant cyflog	10,064
Pwysau chwyddiant nad yw'n gysylltiedig â chyflog	10,875
Ffioedd / Taliadau chwyddiant (positif)	
Pwysau chwyddiant (sefydlog)	20,939
Pwysau Ariannol	
a. Pwysau mewn perthynas â galw	22,269
b. Pwysau cyllido cyfalaf	-
c. Gostyngiad mewn grantiau penodol	484
d. Blaenoriaethau lleol	100
e. Arall	3,588
Cyfanswm Pwysau Ysgolion	26,441
Cyfanswm Ysgolion	47,380



Pwysau ariannol a ragfynegir ar gyfer blwyddyn 2023-24 (parhad)

	£000oedd
<u>C. Gwasanaethau Cymdeithasol</u>	
Pwysau chwyddiant cyflog	5,281
Pwysau costau comisiynu - Oedolion	7,887
Pwysau costau comisiynu - Plant	5,314
Pwysau chwyddiant nad yw'n gysylltiedig â chyflog	3,866
	<hr/>
Pwysau chwyddiant (sefydlog)	22,348
	<hr/>
Pwysau Ariannol	
a. Pwysau mewn perthynas â galw	
<u>Gwasanaethau Oedolion</u>	
Gofal Cartref (gan gynnwys byw â chymorth)	15,209
Lleoliadau Preswyl	20,578
Arall	9,896
	<hr/>
<u>Gwasanaethau Plant</u>	
Gofal Cartref	4,052
Lleoliadau Preswyl	26,427
Gofal Maeth	2,132
Arall	8,119
	<hr/>
Cyfanswm Pwysau Cyllideb Gwasanaethau Cymdeithasol	86,412
	<hr/>
Cyfanswm Pwysau GC	108,761
	<hr/>
<u>Cyfanswm pwysau ariannol a ragfynegir (A+B+C)</u>	219,123



ATODIAD II

Pwysau ariannol a ragfynegir, 2024-25 i 2026-27

Arolwg Pwysau Cymdeithas Trysoryddion Cymru 2024-25

Awdurdodau Unedol gan gynnwys (Gwasanaethau Tân ac Achub)

	2024-25	2025-26	2026-27
<u>A. Cysylltiedig ag Awdurdod Lleol</u>			
Pwysau chwyddiant cyflog	109,550	82,457	83,391
Pwysau chwyddiant nad yw'n gysylltiedig â chy	68,231	53,844	55,921
Pwysau chwyddiant ALI (sefydlog)	177,780	136,301	139,313
<u>Pwysau Cyllideb</u>			
a. Pwysau mewn perthynas â galw	49,074	28,308	30,858
b. Pwysau cyllido cyfalaf	29,199	18,402	13,314
c. Gostyngiad mewn grantiau penodol	2,418	4,536	2,870
d. Blaenoriaethau lleol	1,857	899	1,538
e. Arall	34,896	6,530	7,670
Pwysau Cyllideb ALI	117,443	58,675	56,250
Cyfanswm cysylltiedig ag ALI	295,223	194,976	195,563
<u>B. Ysgolion</u>			
Pwysau chwyddiant cyflog	115,656	101,097	100,866
Pwysau chwyddiant nad yw'n gysylltiedig â chy	29,400	17,862	18,268
Pwysau chwyddiant (sefydlog)	145,055	118,959	119,134
<u>Pwysau Cyllideb</u>			
a. Pwysau mewn perthynas â galw	8,479	10,917	9,232
b. Pwysau cyllido cyfalaf	633	2,243	1,351
c. Gostyngiad mewn grantiau penodol	1,528	282	20
d. Blaenoriaethau lleol	1,357	546	387
e. Arall	6,853	942	673
Cyfanswm Pwysau Cyllideb Ysgolion	18,849	14,930	11,663
Cyfanswm Ysgolion	163,905	133,890	130,797



Pwysau ariannol a ragfyneqir, 2024-25 i 2026-27 (parhad)

Arolwg Pwysau Cymdeithas Trysoryddion Cymru 2024-25

Awdurdodau Unedol gan gynnwys (Gwasanaethau Tân ac Achub)

	2024-25	2025-26	2026-27
<u>A. Cysylltiedig ag Awdurdod Lleol</u>			
Pwysau chwyddiant cyflog	109,550	82,457	83,391
Pwysau chwyddiant nad yw'n gysylltiedig â chy	68,231	53,844	55,921
Pwysau chwyddiant ALI (sefydlog)	177,780	136,301	139,313
<u>Pwysau Cyllideb</u>			
	2024-25	2025-26	2026-27
a. Pwysau mewn perthynas â galw	49,074	28,308	30,858
b. Pwysau cyllido cyfalaf	29,199	18,402	13,314
c. Gostyngiad mewn grantiau penodol	2,418	4,536	2,870
d. Blaenoriaethau lleol	1,857	899	1,538
e. Arall	34,896	6,530	7,670
Pwysau Cyllideb ALI	117,443	58,675	56,250
Cyfanswm cysylltiedig ag ALI	295,223	194,976	195,563
<u>B. Ysgolion</u>			
Pwysau chwyddiant cyflog	115,656	101,097	100,866
Pwysau chwyddiant nad yw'n gysylltiedig â chy	29,400	17,862	18,268
Pwysau chwyddiant (sefydlog)	145,055	118,959	119,134
<u>Pwysau Cyllideb</u>			
a. Pwysau mewn perthynas â galw	8,479	10,917	9,232
b. Pwysau cyllido cyfalaf	633	2,243	1,351
c. Gostyngiad mewn grantiau penodol	1,528	282	20
d. Blaenoriaethau lleol	1,357	546	387
e. Arall	6,853	942	673
Cyfanswm Pwysau Cyllideb Ysgolion	18,849	14,930	11,663
Cyfanswm Ysgolion	163,905	133,890	130,797

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 50 : Ymateb gan: Cymdeithas Llywodraeth Leol Cymru (CLLC) | Response from: Welsh Local Government Association (WGLA)



Finance Committee and Local Government & Housing Committee: Scrutiny of Welsh Government's Draft Budget Proposals 24-25

Jon Rae, Director of Resources

Welsh Local Government Association - The Voice of Welsh Councils

The Welsh Local Government Association (WLGA) is a politically led cross party organisation that seeks to give local government a strong voice at a national level.

We represent the interests of local government and promote local democracy in Wales.

The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce



30th November 2023

Overview

1. This evidence paper addresses the questions posed by the committee in annex 2 of the commissioning letter. It is largely based on the paper that we presented to Welsh Government in a meeting of the Finance Sub Group on 25th October.
2. Most of it comprised our assessment of local government spending pressures that have remained persistently high over the current financial year. We have updated our estimates of the pressures in 23-24 and 24-25 based on local authorities' medium-term financial plans. These are based on the results of a full survey of councils and fire services carried out during August/September with the help of the Society of Welsh Treasurers (SWT).
3. Since the Finance Sub Group paper was presented to the group, we have become aware of two further developments. Firstly, the publication of the Autumn Statement by the UK Government signaled an increase in employer contributions for the teachers' pension scheme of 5%, from 23.6% to 28.6% from 1st April 2024 which will cost £64.3m. These costs have been based on no increase to pay for 2024/25 academic year. A similar revaluation of the fire and rescue services pension scheme will lead to an overall increase in employer contributions for FRAs from 1st April 2024 of £2.8m. However most local authorities are assuming that this is fully funded, as it was at the last revaluation.
4. Secondly, at the end of October, we became aware that part of the teachers pay award for 2023-24 would not be funded on a recurrent basis from 2024-25. This puts an additional unfunded pressure of £21.3m on next year's budget despite an assurance that it was fully funded in the Minister's letter of 9th March 2023.

Conclusion

5. This means we can reprofile the estimates contained in the original report. In 2024-25 local authorities will face an estimated pressure of £809m rather than £720m. In 2025-26 it will be £604m and £613m in 2026-27.
6. If the pensions contributions are funded but the pay pressure is not, the aggregate annual budget gap in each of the next 3 years is £432m, £429m and £433m in the run up to 2026-27. In total, the cumulative funding gap could potentially be £1.294bn. The measures that councils will take to address this gap will have to be drastic.



ANNEX A

Finance Sub Group 25th October 2023

FINANCIAL OUTLOOK

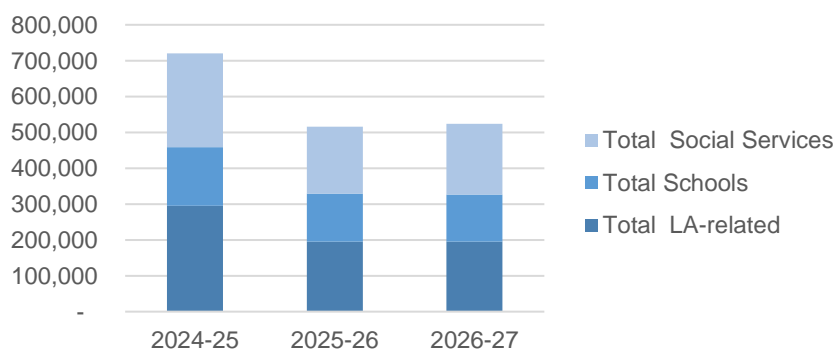
Purpose

1. This paper presents the latest assessment of councils' spending pressures over the next three years based on local authorities' medium-term financial plans. This is based on the results of a full survey of councils and fire and rescue services carried out during August/September with the help of the Society of Welsh Treasurers (SWT). The results are summarised in Annex I. The paper includes information on the in-year position for 2023-24 which is summarised in Annex II. This will require a combination of cuts, efficiencies, and use of reserves to balance budgets.

Summary

2. Throughout the year, we have consistently reported on the pressures building up across local government being as high as they were last year as we planned for 2022-23. Since the March Finance Sub Group we have estimated a pressure of between £600 to £750m in 2024-25 and the survey confirms this is £720m. This would require a spending increase of nearly 10% in net revenue expenditure¹. This falls to £516m and £524m in 2025-26 and 2026-27, respectively. Cumulatively, the pressures building up in the system, and the resulting budget gap, means that the outlook is extremely bleak and the options for many local services will be unpalatable.

Figure 1: Budget pressures by service, 2024-25 to 2026-27, £000s



Source: SWT Survey 2023

¹ Total net revenue expenditure is budgeted at £7.373bn in 2023-24 (Source: Welsh Government RA Returns)



30th November 2023

3. The pressure next year is around 2.5 times the pressures that we would ordinarily expect to see and figure 1 above shows how these are spread over the broad service areas. Social care accounts for 36% (£261m) of pressure in 24-25, schools account for 23% (£164m) of the pressure and other the local authority services account for the remaining 41% (£295m). The full break down is set out in Annex I.
4. While the pressures in the current financial year were offset by a better-than-expected settlement, it is becoming clear that there are additional in-year pressures amounting to £219m. This is set out in more detail in Annex II. In some authorities, these projected overspends have become particularly acute with a range of measures being implemented to balance budgets. In terms of a service breakdown, social care makes up 50% of the overspend, or £109m, with high-cost children's care and soaring demand for adults' social care accounting for most of the runaway costs. Education and schools accounts for around 22%, or £47m of the total overspend. Other council services account for the £63m which is just under 30% of the overall overspend.
5. Viewed another way, just over a third of projected overspend, around £72m, is due to inflation (including pay inflation), which is much higher than originally anticipated when budgets were set in early 2023. However much of the in-year pressures arise from unanticipated demand, especially in social care, and accounts for 50% or £109m (which is, coincidentally, the same as the total social care pressure).
6. On the funding side, the planned increases in Aggregate External Finance (AEF) for 2024-25 is £169m, or 3.1%, which will cover just over a quarter of the pressure in the financial year. The latest estimates from Wales Fiscal Analysis for subsequent years shows the outlook on funding to be particularly bleak, with councils relying mostly on council tax for any additional funding.
7. Without additional funding, the risk to council services including education and social care cannot be overstated. The aggregate annual budget gap in each of the next 3 years is £411m, £408m and £412m in the run up to 2026-27. In total, the cumulative funding gap could potentially be £1.232bn. Some of the gap will be met through efficiencies and other measures but given the scale of the challenge, many councils are bracing for large scale service cuts and a loss of posts that will run into thousands.

Analysis

8. The Welsh Government has described its budgetary position as “the most difficult financial situation since the dawn of devolution”. Over the summer, cabinet ministers were asked to look at the in-year position in 2023-24 in preparation for the 2024-25 budget round. While the picture for next year is bleak, Wales Fiscal



30th November 2023

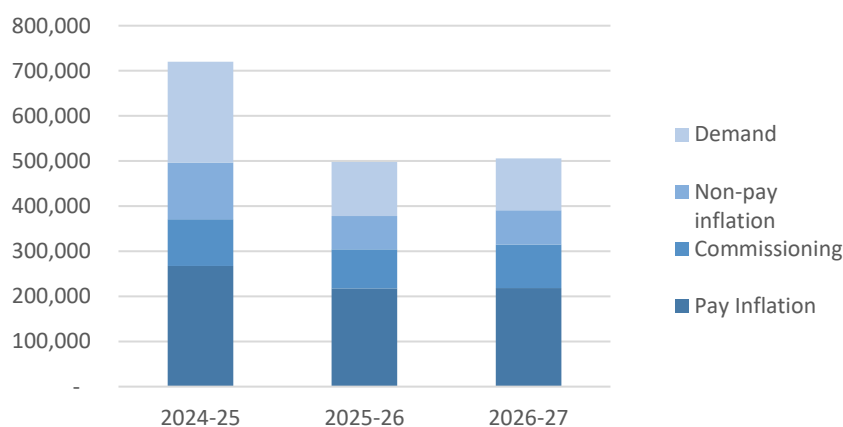
Analysis are reporting that tight public spending plans over coming years also paint a 'worrying picture for the medium-term'.

- The medium-term position is confirmed by the Institute for Fiscal Studies' Green Budget. With the UK economy stuck between weak growth on the one hand and the risk of persistently high inflation on the other, they state: "We are in a horrible fiscal bind as low growth and high debt interest payments mean no room for maneuver."

Fiscal and monetary policy must strike a delicate balance so an unfunded package of pre-election tax cuts could prove unsustainable.

- In Figure 2 budget pressures from 2024 to 2027 are categorised under 4 main headings. Pay and non-pay inflation as well as commissioning costs in social care are unavoidable costs that must be met just to stand still. These account for nearly £500m in the next financial year falling to around £400m in the two subsequent years. With pay deals, councils have been building in expectation that have fallen well below the reality.

Figure 2: Budget Pressures by type, 2024-25 and 2026-27, £000s



Source: SWT Survey 2023

Pay and non-pay inflation

- Overall, the survey returns are telling us that the unplanned increase in the wage bill in 23-24 comes to £31m: £9m for schools, £5m in social care and £17m in other council services. This is better than the low assumptions made last year. As responsible employers, committed to social partnership, we will be fully engaged in discussions with the unions over the coming period. As stated above, councils are making assumptions for £267m of pay pressure next financial year (nearly 40% of the total pressure), and £218m and £219m in the two subsequent years to 26-27.



30th November 2023

12. The three National Joint Council for Local Government Services (NJC LGS) unions (UNISON, GMB and Unite) tabled their pay claim for local government services ('Green Book') employees for 2023-24 on 30 January 2023. The claim states that council workers have '...endured a decade of below average pay awards and pay freezes...[and]...have lost on average 25% from the value of their pay spine since 2010. The pay claim is set in the context of the cost-of-living crisis, inflationary pressures, recruitment and retention challenges.
13. In February 2023, the national employers responded to the unions pay claim with a full and final offer of £1,925 for all points on the NJC pay spine and 3.88% for all pay points above the top of the NJC pay spine. For the lowest paid (currently earning £20,441 per annum), the offer equates to an increase of 9.42 per cent this year; meaning their pay will have increased by £4,033 (22.0 per cent) over the two years since April 2021.
14. The three NJC LGS trade unions declined the offer and balloted members for industrial action. Local Government Employers have maintained the offer is full and final.
15. All three NJC LGS trade unions undertook disaggregated ballots at the local level, on an individual council or service basis, rather than a national ballot. Members from Unison the largest trade union did not return a vote for industrial action and are understood to be keen to see a swift resolution so that the pay award is applied as soon as possible. Unite returned a positive vote for industrial action in three councils, overall membership numbers are low but are concentrated in services, such as waste and street scene, with strike action causing some disruption as a consequence in two of the three councils. The ballot for GMB, the second largest trade union, is due to close on 24 October 2023 and Local Government Employers are due to meet on 2 November 2023 to discuss next steps. If GMB fails to secure a vote for industrial action then it is hoped that the pay award will be accepted and the current dispute brought to a close.
16. Industrial action by Teachers in February 2023 led to the Welsh Government opening negotiations on pay and workload. The School Teachers Pay and Conditions (Wales) Document for 2022/23 was updated in April 2023 to increase the pay award from the previously agreed 5% to 6.5% and provide for an additional 1.5% non - consolidated lump sum for 2022/23 only, backdated to 01 September 2022. The *School Teachers Pay and Conditions (Wales)* document for 2023/24 was laid on 05 October 2023 and is anticipated to come into force at the end of October, this will also include a revised pay award, increased from the proposed 3.5% to 5% for 2023/24, backdated to 01 September 2023.
17. The JNC for Youth and Community Workers pay award agreed an increase of £1925 from 01 September 2022 and the Employers Side has received a pay and



30th November 2023

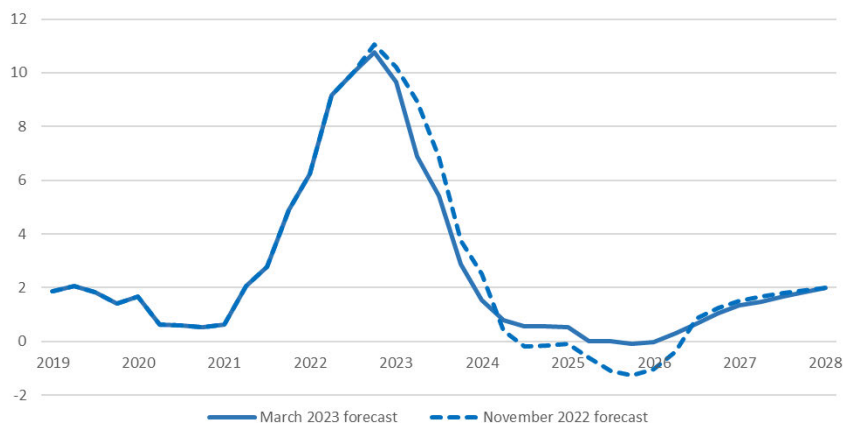
conditions claim from the Staff Side Trade Unions for 2023. The headline element of the claim is for a pay increase of RPI + 2%. Discussions are ongoing.

18. The National Employers remains in dispute with the Soulbury Officers' Side on pay for 2022. The National Employers made an offer of £1925 in November 2022 and have been unable to reach a pay agreement. The Association of Educational Psychologists (AEP) undertook a ballot and have voted for industrial action. Employers have made a final offer on pay which includes an increase of £1,925 on all pay points with effect from 1 September 2022 and an increase of 3.5% on all pay points with effect from 1 September 2023.
19. The NJC for Local Authority Fire and Rescue Services (LAFRS) reached agreement on pay awards for 2022 and 2023 in March 2023. These represent an increase of 7% effective from 01 July 2022 and 5% effective from 01 July 2023.
20. The NJC for Brigade Managers of LAFRS reached agreement on pay awards for 2022 and 2023 on 31 May 2023. These represent a 4% increase from 01 January 2022 and a 3.5% increase from 01 January 2023.
21. The JNC for Coroners agreed a pay award of 1.56% for 2022/23, effective 01 April 2022.
22. In terms of non-pay inflation, the estimated costs faced by councils in 2024-25 remains stubbornly high at around £125m, whereas previous surveys have shown the historic position is around half of that. The Office for Budget Responsibility (OBR) stated in March 2023 that it expected Consumer Price Index (CPI) inflation to have peaked in the fourth quarter of 2022 - at its highest rate in around 40 years. The increase was driven mostly by higher gas prices feeding into sharp rises in domestic energy bills, alongside higher fuel prices and global goods inflation.
23. Inflation is still expected to fall rapidly to around 0 per cent from mid-2024 to mid-2026. Energy bills will fall back and some global supply pressures reverse. The OBR expects inflation to then return to the 2 per cent target by the end of the forecast as the large swings in energy prices fall out of the annual CPI calculation and output is broadly in line with the economy's productive potential.



30th November 2023

Figure 3: Office for Budget Responsibility's March 2023 CPI Forecast, %



Source: ONS, [OBR](#)

24. However, the published September CPI is not behaving in the way forecast. While food prices saw their first monthly fall in two years, fuel prices rose sharply. The consequence is that the overall rate of inflation held steady at 6.7%, ending a run of three consecutive monthly falls. Furthermore, the Bank of England's latest forecast (August 2023) expects inflation to keep on falling in 2024 and reach their 2% target in the first half of 2025."

Education and Schools

25. Councils have reported £41m of in-year pressures for 2023-24 that have been added to school budgets, with a quarter of this due to pay. The future pressure that schools are facing is £164m in 2024-25 which represents a 5.6% increase on budgeted net revenue expenditure² for 2023-24. Annual pressure builds in subsequent years with a further £134m and £131m in 25-26 and 26-27 respectively. Pay accounts for over 70% of total inflation in each of the years.

26. Many authorities have rightly assumed that the additional grants for the teachers pay deal in 22-23 and in 23-24 will be funded on a recurrent basis with the grants transferred into the funding baseline. A similar assumption is being made for anticipated changes in the employer rate for teachers' pensions. In the past, funding has come from the Treasury when the rate has increased.

27. Even the councils that have protected schools in recent years say that they cannot be given the same support in the future given the scale of funding gap. Some have identified additional financial pressures on specific schools which are linked to deprivation and significant Additional Learning Needs (ALN) demands. Some

² Schools and education net revenue expenditure is budgeted at £2.941bn in 2023-24 (Source: Welsh Government RA Returns)



30th November 2023

returns reflect on how head teachers are starting to report of the devastating effect of cuts on educational standards - in particular the pastoral/wrap around work that schools undertake.

28. The aftermath of the pandemic and high energy costs continues to place additional pressures on schools, and some report that they are reviewing the impact the pandemic is still having on ALN, attendance and behaviour. However in broad terms schools are beginning to burn through reserves at such a rate that they are seeking loans to cover shortfalls as one response put it: “.....school balances are expected to reduce by 50% in year. It is anticipated therefore that there will be many more schools seeking a loan arrangement in 24-25.”
29. Most councils operate a system of *Licensed Deficit Agreements* and make assumptions around future funding levels. The prospect of some making it back into surplus are starting to look hopeless. One authority reports that along with this, the majority, if not all of their other schools will fall into deficit. Some of their small schools will become unsustainable because pupil/teacher ratios would fall to unacceptable levels. Many councils are now reporting a significant risk of redundancy for support staff and teachers. It concluded by saying that this cycle would escalate under current circumstances with more teachers being made redundant and some schools being unable to meet recommended pupil /teacher ratios.
30. There were many comments about how the sustainability of numerous small schools will need to be reviewed as financial pressures persist. However, the increased cost of transport to neighbouring schools could negate savings made especially in rural areas. One authority reported how a review of 6th form provision is also in the pipeline. The financial sustainability of the current provision will be considered as part of this review.
31. Significant additional risks and pressures in schools remain in respect of Additional Learning Needs (ALN) provision, increased number of pupils in special education, resource bases and facilities to support pupils with social and emotional difficulties. Part of this is thought to be linked to the after-effects of the pandemic. The increased needs and complexity of pupils is not reflected in the funding.

Social care

32. Councils continue to be extremely concerned about the current pressures facing social care. The survey responses demonstrate the continuing impact of growing demographic, cost of living, workforce and inflationary pressures facing all parts of the social care system. Increasing demand for services, and the increasing complexity add to these pressures and concerns. The impact is that budgets are not stretching as far, families and unpaid carers are facing further strains, and recruitment and retention remain huge challenges.



30th November 2023

33. The SWT survey shows the significant in-year pressures being experienced across both adults and children's services. The survey identified £109m worth of in-year pressures in social care which is around 4.7% of budgeted net revenue expenditure³. This builds on a £93m overspend on social services in the previous financial year.
34. The considerable financial challenges continue into 2024-25 and beyond. Next financial year there is a £261m pressure which represents an 11.3% increase in current budgets. Commissioning costs and pay and non-pay inflation account for £180m of the pressure, and the remainder is down to demand which accounts for £81m. There is an additional £187m in 25-26, and £198m in 26-27 respectively giving a cumulative total of £646m.
35. Commissioned services, which are essential to the provision of social care, from independent providers are also affected by similar issues to local authority social care services with increased running costs for staffing and energy, as well as increases in relation to insurance and fuel which are further adding to significant financial pressure. Combined with increasing demand, complexity of need and workforce shortages this has resulted in higher costs and therefore increased expenditure for councils to meet the increasing costs of placements across both adults and children's services. Local authorities have flagged this as a significant risk. One local authority identifies that residential and nursing homes are seeking a rise in fees of around 20% and another has experienced roughly a 10% increase in fees in each of the last two years. While uplifts are being factored into medium term financial planning, concerns remain about the likelihood of demands for higher increases and therefore further costs to local authorities.
36. The survey indicates that the social care market remains fragile, and this has impacts for the long-term sustainability of the sector. It also reveals councils' concerns about growing demand for both adults and children's services, their capacity and resources available to meet these demands, along with reductions in quality and choice available. The difficulty of recruiting and retaining care workers continues to be a major concern highlighted by councils. In order to mitigate some of the recruitment and retention challenges some councils continue to have to rely on the use of agency staff and these costs further add to financial pressures in future years.
37. The survey highlights concerns that continue to be raised in relation to the provision of packages of care. Increased demand, along with a lack of suitable providers has previously been identified as an issue in the provision of domiciliary care. Local authorities identified an increase in the complexity of the care home packages needed to be put in place, alongside increasing costs meaning that councils can

³ Social care net revenue expenditure is budgeted at £2.302bn in 2023-24 (Source: Welsh Government RA Returns)



30th November 2023

struggle to have enough capacity to be able to meet the assessed need and ensure the sustainable provision of care. Issues in relation to access to Continuing Healthcare were also flagged meaning that local authorities were continuing to have to fund the majority, if not all, of these care packages rather than health. In addition, some authorities have referred to the financial impacts of Social Care 'Tourism' with clients moving over from England to benefit from the more generous capital threshold limits in Wales when moving into a care home setting and councils seeing individuals who have had delayed accessing healthcare and so now on presentation to social services have higher dependency requiring more costly care provision.

38. Councils also report seeing increased demand and complexity of cases in particular client groups. For example, pressures and costs in packages of care and support across mental health and learning disability services are identified in the survey responses. One local authority pointed to the increasing numbers of under 65-year-olds with a learning disability requiring support which will continue to need to be met in future years.
39. The impacts of the cost-of-living crisis were highlighted as leading to rising pressures on families which has meant that some councils are experiencing increased numbers of children entering care. Concerns continue to be highlighted over challenges finding appropriate and quality placements for children and young people. In particular, insufficient provision for children with complex needs with a lack of both fostering and residential placements available. Unprecedented levels of emergency placements for residential placements, increased use of independent placements and increased pressures to find foster placements were all highlighted with the cost of out of county placements continuing to rise and demand for specialised placements exceeding supply. Weekly costs of up to £20k per week for placements were identified and one local authority reported that their children's services budget has increased by £11m (56%) over the last 3 years, with specialist placement costs increasing by £6.6m (44%) over the same period.
40. The result of these existing placement and system pressures has meant the need for local authorities in some circumstances to have to consider the establishment of bespoke placement arrangements for children and young people that operate without registration under the Regulation and Inspection of Social Care (Wales) Act 2016. These types of placements place further pressures on local authorities, are expensive and direct funding away from prevention work into managing placements. In response councils are seeking to create their own in-house provision, but this takes time and resource to establish.
41. The survey responses also pointed towards some of the policy direction in Wales leading to increased financial pressures. The commitment to eliminate private profit from the care of looked after children was highlighted as having a detrimental impact on the availability of placements with risks around the adequacy of the grant funding to fully cover transitional costs and the risk if the period of transition does



30th November 2023

not extend beyond the current funding period of 2024-25 identified. Survey responses also recognised that the need to place children via the National Transfer Scheme (NTS) has increased cost pressures and has resulted in Unaccompanied Asylum Seeking Children (UASC) often being placed out of county/country to meet their identified needs which comes with significant cost pressures. As a result of recent court judgements it was highlighted that this could mean there will be an increase in UASC's who will need to be placed in ever reducing numbers of placements.

42. Similarly concerns over the tapering of the Regional Integration Fund were raised with a reflection that any reductions in grant funding levels across social services will require reviews of service provision to be undertaken and the risk that service reduction proposals would need to be considered as part of this. The implementation of the Real Living Wage for social care workers was also highlighted and that although funding is providing by Welsh Government to support this there is a need to further consider the effect of the price differential of senior staff/managers and concerns that funding is not keeping pace with the extra costs associated with implementing this policy with councils having to continue to support providers in being able to deliver this commitment. One suggestion put forward by councils in response to some of the challenges being seen is the need to review the current maximum charge for non-residential care.
43. Earlier this year WLGA published [research](#) examining the challenges facing the social care sector and local government's priorities for social care. The research identified a system under enormous pressure due to: rapid demographic changes across Wales; the on-going impact of the COVID-19 pandemic; workforce challenges; funding difficulties; and the increase in the costs of living. Workforce issues topped the list of key concerns, alongside a lack of sustainable funding, and challenges associated with meeting more complex needs. The financial estimates of the 22 Welsh councils further supports these conclusions but also raises the very real concern that with the scale of the financial challenges being faced the level of protection that has been afforded to social services to date will not be possible for much longer putting councils' ability to successfully deliver social care services at risk in future years.

Ukraine and wider migration

44. Wales is proud of its record in supporting people who have arrived seeking asylum and in welcoming refugees. Local government works closely with the Welsh Government in achieving the ambition of Wales as a Nation of Sanctuary and in developing a place-based approach that best reflects contributions different areas can make. However, this work is not without its costs to councils and other public bodies and while asylum and migration are reserved matters, there is limited funding provided by the UK Government to cover costs incurred by councils.



30th November 2023

45. As highlighted in the section above, the National Transfer Scheme for unaccompanied children is a significant cost pressure on councils and while the Home Office provide some funding, this does not cover the full costs of care, particularly in relation to any complex cases and as the number of UASC cared for by Welsh councils increases, councils are losing out financially. The funding for care leavers is also minimal and as this group increase this funding gap will increase as well.
46. However, the biggest cost is from the full dispersal of asylum seekers across all Welsh councils but is more keenly seen in the long-standing asylum dispersal areas. The funding provided by the Home Office, recently introduced, is minimal, despite many impacts at the local level and services, for example, access to housing, schools, social services, advice and information.
47. The recently introduced Streamlined Asylum Process as the Home Office aim to clear the backlog of asylum cases awaiting decisions, will significantly impact on Cardiff, Swansea, Newport and Wrexham in terms of homelessness presentations and support services, which are already under immense strain at this time. It is clear that councils are under funded by the UK Government for planning and responding to the impacts of asylum seekers being accommodated at the local level and it is likely this pressure will increase as full dispersal continues.

Housing and homelessness

48. Wales has continued with the approach of “no-one left out” in relation to homelessness, following the end of the public health emergency. This approach is supported by councils, however, the numbers of households approaching Councils for assistance has continued to increase. This sustained increase in homelessness presentations to Councils in the period since the pandemic means that core homelessness services are overwhelmingly now dealing only with crisis and unable to work to prevent homelessness. The recently published White Paper on homelessness will also add additional financial pressures on councils and it is important that a robust and thorough assessment on the financial implications of any legislative proposals are undertaken, in partnership, so that appropriate levels of funding are provided in terms of implementation.
49. The latest data reflects that there are currently more than 11,000 people in temporary accommodation. This comes at a significant cost to council budgets and the level of funding provided by the Welsh Government is not keeping pace with such increased demand and the feedback from the survey undertaken reflects overspend on homelessness budgets and is an increasing financial pressure on councils. One authority cited homelessness pressure contributing to a £660k



30th November 2023

overspend in the current year as demand outstripped the available budget. The Supporting People budget is also critical in supporting homeless people and those at risk, including funding for third sector bodies, and the WLGA stresses the need to maintain the current level of funding if additional funding is not available.

50. Building more homes is essential to ensure that we have enough for everyone who needs them, when they are needed. Those Councils with housing stock are implementing ambitious new-build programmes, and seeking to acquire existing homes (often former Right to Buy properties) to increase the numbers of homes available for social rent, others are working with the RSL partners to ensure identified housing need is addressed. All councils are also working with RSL partners to build new low carbon social rented homes. It is therefore important to ensure that capital funding is available to support the building of social housing at the pace and scale needed to reduce reliance on temporary accommodation and ensure the housing needs of citizens in housing need can be met.
51. Councils support the achievement of Welsh Government's key housing objectives, set out in the Programme for Government, however, adequate funding is required to enable successful delivery. In addition to the above issues, other financial pressure in housing come from reform of the building safety regime, the revised Wales Housing Quality Standard, workforce pressures and meeting any gaps (for example the recent Audit Wales report on Building Control) and the ambitions in relation to decarbonisation of more homes.

Highways, Transport, Economic and Environmental Services

52. Essential maintenance of the highway and Active Travel networks and associated structures is vital both on safety and on economic grounds (and to reduce insurance claims), especially in the face of more extreme weather events. Over recent years additional revenue support has been provided by Welsh Government via the Local Government Borrowing Initiative (c£170m 2012-13 to 2015-16) and then a succession of revenue grants at c£20m p.a.. In 2021-22 there was an option for highways expenditure as part of a general capital fund allocation of £70m that could be carried forward into 2022-23 by displacement. However, no grant was awarded for 2023-24.
53. Support for bus services remains a major concern. With the Bus Transition Fund (BTF) due to end in March 2024, bus services will need to revert to a combination of commercial and subsidised services from 1st April. During 2022-23, underspend on the Concessionary Fares (CF) budget was redirected into to the BTF to support services. However, with CF trips gradually rising post-Covid, the underspend is anticipated to be less in 2023-24. Whilst the increasing income from CF



30th November 2023

reimbursement will help operators, uncertainty over income on routes, combined with the need to give statutory notice of service cancellations, creates the risk further of service cuts. An early indication of funding from Welsh Government for next year has been called for. It is likely that regional allocations will be made in the first instance to facilitate network planning, followed by tendering of subsidised routes by individual councils. It is widely anticipated that tendered costs will be high due to increases in fuel and labour costs in particular. This will also impact on home to school transport costs where significant increases are expected.

54. Shortages of technical staff and HGV drivers and difficulties recruiting are impacting across all services in these areas, with staff being attracted away by higher salaries in other sectors. This also impacts on efforts to run apprenticeship schemes to draw in new people, as they can be tempted away once trained.
55. As the work of, and expectations on, Corporate Joint Committees picks up, this is another source of financial pressure on councils. Work is commencing on Strategic Development Plans and Regional Transport Plans. This needs to be co-ordinated with use of the of economic well-being power (a power which is concurrent with councils). Welsh Government is planning to provide £125,000 to each region upon the production of RTP implementation plans but all regions have identified that further funding will be needed to take these plans forward in a meaningful way.
56. New workplace regulations coming in from April 2024, which require the separate presentation of waste streams for collection, will increase costs for schools and council buildings. They could also see councils required to provide separated collections from commercial premises in cases where no private sector service is available.
57. Increased energy costs have impacted in these service areas, in particular on the costs of waste collection, fleet, energy for buildings and streetlighting.
58. Ash die-back remains a major risk, especially where trees are adjacent to the highway and need to be removed. Total costs were estimated at nearly £15bn for Great Britain as a whole. Other than use of a short-term Green Recovery Grant scheme, no additional funding has been made available to councils for this essential work.

Capital

59. The survey also gathered evidence on capital programmes and pressures. The responses indicate that a tightened revenue settlement will impact capital programmes. Across capital programmes we are seeing an increase in costs from



30th November 2023

when the programme was approved at feasibility stage, to the design and development stage of capital projects, due to the current inflation rates and volatility of the construction market. With little or no additional funding available, there has been a lot of reprioritising between schemes and scaling back schemes where possible.

60. In relation to Twentieth Century Schools Band B Programme, many authorities are reporting a reduction in the number of schemes that are now affordable against what was anticipated when the programme was first set in line with the funding envelope. Following the completion of the Band A and the majority of Band B projects, councils are considering how sustainable it will be to continue to use borrowing, to support its percentage of the intervention rate going forward to the next iteration of the programme, given the impact of borrowing pressures on the Councils Medium Term Financial Strategy (MTFS). Similar rationing will take place for the next WG Sustainable Communities programme.
61. Where grants are withdrawn they carry specific service risks. For example, the removal of the Public Highways Refurbishment Grant continues to put a significant pressure on the resources councils can allocate to Highway Asset Management Plans. With the increase in costs and reduced budget, it's difficult to carry out the amount of work to maintain a steady state of investment required relating to resurfacing, structures, streetlighting and traffic signals.
62. The impact of market volatility will continue to be monitored closely during this financial year. The re-profiling of schemes from prior years may have affected the delivery works in year, resulting in a high level of carry forward requests to re-phase budgets into the 2024-25 programme.
63. Additional grant funding from WG is always welcomed and appreciated, however volume of late notification of funding makes it more difficult to displace in year spend with grant. More flexibility around when/how the grant needs to be spent would be beneficial. This would enable services with planning schemes to deliver value for money, and support with the pressing needs the Council are facing. Any capital funding available for schemes that will help reduce revenue pressure around homelessness and out of county costs would also be welcomed.
64. The main source of funding is the Public Works Loan Board and long-term rates are currently around 5% although there is a lot of volatility in the markets. This is significantly above rates when capital programmes were set in March 2022. This carries significant risk to affordability and sustainability, particularly in respect of housing schemes and extensive core asset infrastructure assumed to be paid for by borrowing.



30th November 2023

Climate change

65. Councils have made a number of commitments to contribute towards the target of net zero emissions in the public sector by 2030. Many of the steps required involve capital investment (e.g. in relation to property and energy, fleet transition, land-based decarbonisation). A wide range of funding streams will be required to make the sort of changes needed at the pace required. That could include borrowing to meet upfront costs that will then have to be repaid from revenue budgets over a number of years. It could also involve leasing or hire (e.g. for vehicles) rather than a capital outlay. There are workforce implications that will need to be addressed, working with unions in a social partnership approach, including retraining and recruitment in many cases (e.g. vehicle maintenance; energy and environmental management; financial accounting methods). Current labour shortages in many 'green' jobs in councils have highlighted not only the shortage of staff with the required skills but also wage differentials with the private sector, with retention of trained staff a growing issue.
66. Other important measures relate to procurement, where councils need to reduce 'Scope 3' emissions, which relate (amongst other things) to their purchased goods and services. Where suppliers have developed carbon plans to reduce emissions associated with their goods and services, the direct costs will tend to be higher (although there are compensating environmental, and often social and wider economic benefits – e.g. arising from local purchasing). At a time of significant financial pressure, it will be a challenge for councils to 'do the right thing' as opposed to choosing the most affordable option.
67. There will be a payback from climate change actions (in terms of adaptation as well as mitigation). However, the issues are, first, the timescales for that payback and, second, that many of the benefits do not accrue to the council in a direct or financial sense. Rather, they will often contribute to well-being goals for the wider community – for example more local jobs, healthier food, better quality environment, biodiversity gains, greater resilience against future extreme weather events. The risk is that the necessary measures will be a casualty of current financial pressures causing them to be deferred, whereas ideally, they should be prioritised to ensure timeliness and maximum potential impact.
68. The Climate Strategy Panel (CSP) has set up four task and finish groups, chaired by Chief Executives, to oversee and drive progress in relation to local government's commitments towards net zero. These cover key areas of procurement, transport, land use and buildings. The CSP is also establishing a group to focus on adaptation. The UK Climate Change Committee has recently produced two important reports on progress in Wales, on mitigation and on adaptation that have financial implications for local government.
69. On **mitigation/reducing emissions** it made the following points of relevance to councils (requiring a mix of capital and revenue measures):



30th November 2023

- Action on decarbonisation overall must accelerate
- Progress on waste and recycling, whilst historically good in Wales, has stalled and needs to pick up
- Greater effort is needed to transition to use of electric vehicles
- There is a need for long term plans to decarbonise public buildings, social housing and fuel-poor homes
- Tree planting and peatland restoration rates are too low, requiring capacity building and skills development

70. On **adaptation/improving resilience** to climate change it highlighted:

- The changing climate has risks for infrastructure, ecosystems, communities and the economy
- Around half of the 61 risks and opportunities it has identified for Wales require urgent action before Welsh Government's next adaption plan is produced in 2024
- There is insufficient progress with implementation of measures and monitoring is poor, making it difficult to evaluate progress
- There is a lack of clarity in responsibilities for responding to climate risks across the public sector
- Unless climate risks are addressed, other societal goals will not be achieved.

71. The work of the task and finish groups is being informed by the UKCCC work. Much of what needs to be done requires upfront capital and supportive revenue funding. However, in several cases there will be a financial return on investment as well as the carbon savings. There are also more intangible 'downstream' financial savings in terms of preventing future spend having to respond to climate change impacts (e.g. flooding, damage to infrastructure, road closures, storm damage, health problems etc). Maintenance budgets are often a casualty at a time of financial constraint, but it will be vital to protect these to provide the resilience that is required.

Conclusion

72. In conclusion, our current estimates of pressures remain exceedingly high. Without further funding, local authorities face impossible decisions. Any return to austerity would be disastrous for the preventative services that local government provides and the people who rely on them. It would be catastrophic for the NHS which relies on a well-funded care system and utterly demoralising for our workforce.

73. Over the past couple of months there has been renewed interest in the financial resilience of local authorities, especially with some high-profile examples of failure in England. According CIPFA, the causes of failure can be complex with a single



30th November 2023

event tipping some to issue s114 notices. However, it is clear to us that austerity and the ongoing funding reductions are a consistent underlying casual factor. There is growing awareness and interest among our own membership in the issue and what can be done to prevent financial failure.

74. Last week the Welsh Government announced a series of budget measures to address the in-year problem that has built up. While we remain concerned about how this could spill over into 2024-25, we are grateful that the Minister has protected local services and we continue to welcome the partnership approach that we have forged with Welsh Government, and the close working relationship that has developed in recent years between ministers and leaders. We are committed to continuing with that approach to protect our shared priorities from the worst effects of the economic headwinds to come.

Cleared by: Councillor Anthony Hunt, WLGA Finance Spokesperson

Authors: Jon Rae, Director of Resources
Nathan Gardner, Finance Manager

Tel: [REDACTED]

E-mail: [REDACTED]



ANNEX I

In-year (2023-24) projected financial pressures (in excess of budget)

	2023-24 £000s
<u>A. Local Authority Related (excluding schools and social services)</u>	
Pay inflation pressures	17,078
Non pay inflation pressure	12,901
Inflation (Stand Still) pressures	29,979
Financial pressures	
a. Demand related pressures	28,543
b. Capital financing pressures	- 2,218
c. Reduction in specific grants	2,013
d. Local priorities	1,002
e. Other	3,664
LA Budget Pressures	33,004
Total LA Related	62,983
<u>B. Schools</u>	
Pay inflation pressures	10,064
Non pay inflation pressure	10,875
Fees/Charges inflation (positive)	
Inflation (Stand Still) pressures	20,939
Financial pressures	
a. Demand related pressures	22,269
b. Capital financing pressures	-
c. Reduction in specific grants	484
d. Local priorities	100
e. Other	3,588
Total Schoos Pressures	26,441
Total Schools	47,380



In-year (2023-24) projected financial pressures (cont.)

	£000s
<u>C. Social Services</u>	
Pay inflation pressures	5,281
Commissioning Cost Pressures - Adults'	7,887
Commissioning Cost Pressures - Children's	5,314
Non pay inflation pressure	3,866
Inflation (Stand Still) pressures	22,348
Financial pressures	
a. Demand related pressures	
<u>Adults Services</u>	
Domiciliary Care (incl supported living)	15,209
Residential Placements	20,578
Other	9,896
<u>Childrens Services</u>	
Domiciliary Care	4,052
Residential Placements	26,427
Foster Care	2,132
Other	8,119
Total Social Services Budget Pressures	86,412
Total SC Pressures	108,761
<u>Total projected financial pressures (A+B+C)</u>	219,123



ANNEX II

Projected financial pressures, 2024-25 to 2026-27

	2024-25	2025-26	2026-27
<u>A. Local Authority Related (excluding schools and social services)</u>			
Pay inflation pressures	109,550	82,457	83,391
Non pay inflation pressure	68,231	53,844	55,921
Fees/Charges inflation (positive)			
LA Inflation (Stand Still) pressures	177,780	136,301	139,313
Budget pressures			
a. Demand related pressures	49,074	28,308	30,858
b. Capital financing pressures	29,199	18,402	13,314
c. Reduction in specific grants	2,418	4,536	2,870
d. Local priorities	1,857	899	1,538
e. Other	34,896	6,530	7,670
LA budget pressures	117,443	58,675	56,250
Total LA-related	295,223	194,976	195,563
<u>B. Schools</u>			
Pay inflation pressures	115,656	101,097	100,866
Non pay inflation pressure	29,400	17,862	18,268
Inflation (Stand Still) pressures	145,055	118,959	119,134
Budget pressures			
a. Demand related pressures	8,479	10,917	9,232
b. Capital financing pressures	633	2,243	1,351
c. Reduction in specific grants	1,528	282	20
d. Local priorities	1,357	546	387
e. Other	6,853	942	673
Total Schools Budget Pressures	18,849	14,930	11,663
Total Schools	163,905	133,890	130,797



Projected financial pressures, 2024-25 to 2026-27 (cont.)

	2024-25	2025-26	2026-27
<u>C. Social Services</u>			
Pay inflation pressures	41,944	34,156	34,546
Commissioning Cost Pressures - Adults'	83,894	69,689	77,665
Commissioning Cost Pressures - Children's	20,308	16,854	18,244
Non pay inflation pressure	27,377	19,991	20,265
Fees/Charges inflation (positive)			
Inflation (Stand Still) pressures	173,523	140,690	150,720
Budget pressures			
a. Demand related pressures			
<u>Adults Services</u>			
Domiciliary Care (incl supported living)	21,008	13,568	13,335
Residential Placements	15,869	10,049	12,121
Other	10,358	2,504	2,755
<u>Childrens Services</u>			
Domiciliary Care	976	-	-
Residential Placements	26,171	10,189	9,666
Foster Care	862	699	942
Other	6,202	1,465	1,629
b. Capital financing pressures	-	-	-
c. Reduction in specific grants	3,047	6,383	4,753
d. Local priorities	500	127	218
e. Other	2,621	1,405	1,649
Total SC Budget Pressures	87,613	46,389	47,068
Total Social Services	261,136	187,079	197,788
Total Pressures	720,264	515,945	524,147

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 51: Ymateb gan: Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol (CCGC) a Cymdeithas Llywodraeth Leol Cymru (CLLC) (Saesneg yn unig) | Response from: Association of Directors of Social Services (ADSS) and Welsh Local Government Association (WGLA) (English link)



Senedd Cymru Finance Committee: Welsh Government Draft Budget 2024-25

Contribution by ADSS Cymru

Authority	Alwyn Jones - President
Completed by	Paul Pavia, Policy and Research Lead
Date	December 2023

General Comment

The Association of Directors of Social Services (ADSS) Cymru is the professional and strategic leadership organisation for social services in Wales and is composed of statutory directors of social services, the All-Wales Heads of Children's Service (AWHOCs), the All-Wales Adult Service Heads (AWASH) and tier three managers who support them in delivering statutory responsibilities: a group which consists of over 300 social services leaders across the 22 local authorities in Wales.

The role of ADSS Cymru is to represent the collective, authoritative voice of senior social care leaders who support vulnerable adults and children, their families, and communities, on a range of national and regional issues in relation to social care policy, practice, and resourcing. It is the only national body that articulates the view of those professionals who lead our social care services.

As a member-led organisation, ADSS Cymru is committed to using the wealth of its members' experience and expertise. We work in partnership with a wide range of partners and stakeholders to influence the important strategic decisions around the development of health, social care, and public service delivery. Ultimately, our aim is to benefit the people our services support and the people who work within those services.

ADSS Cymru welcomes the opportunity to contribute to this consultation on the Welsh Government's Draft Budget 2024-25. We have produced a report in partnership with the WLGA, summarising the financial pressures on social services. The report presents the pressures for 2024/25, as well as describing the current in-year pressures that are being experienced for 2023-24. It also examines predicted forecasts beyond the next financial year. We have attached the report to this covering document for the Committee's consideration.

The report sets out that the social care sector in Wales is experiencing unprecedented and acute challenges. The number of people needing care and support has and continues to increase, which in turn is creating unsustainable financial and demand pressures on social care services in both adult and children's services.

The report identifies several key factors including:

- **Future Financial Sustainability:** Welsh local authorities face significant financial challenges, with estimated pressures of £809 million in 2024-25, followed by £604 million in 2025-26 and £612 million in 2026-27. These pressures may severely impact local services.
- **In-Year Budgetary Pressures:** In addition to future challenges, some authorities are dealing with in-year pressures totalling £219 million. To address these projected overspends, various recovery measures are being implemented to balance budgets.
- **Workforce Impact:** Recruitment and retention of social care workers, including qualified Social Workers, are major challenges. A recent Social Care Wales survey shows that many social care workers feel undervalued and underpaid, potentially leading to workforce shortages.ⁱ
- **Complex Cases:** Increased demand and complex cases, including high-cost placements, are driving up costs for social services. Particularly expensive components include children's residential placements, adult residential placements, and domiciliary care. Additionally, local authorities are often forced to establish bespoke placement arrangements for children and young people outside the Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) registration regime due to placement shortages.
- **Other Contributing Factors:** Additional pressures in the social care sector stem from issues like access to Children and Young People's Continuing Care and Continuing Healthcare in adult services, the financial impacts of Social Care 'Tourism,' and the cost-of-living crisis, which result in increased family pressures and more children entering care.
- **Policy Implications:** Certain policies in Wales, such as the commitment to eliminate private profit from the care of children looked-after and the implementation of the Real Living Wage for social care workers, also contribute to financial pressures in the sector.

Our members would also like to highlight the point that up until the creation of this consultation response (end of November 2023), local government social services have received no further in-year budget support from Welsh Government. This contrasts with health, as was set out by the Minister for Finance in her announcement on 17 October 2023.ⁱⁱ

Whilst we acknowledge this funding is to support the NHS, over what will be an extremely challenging winter period, it does not ameliorate the immensely challenging position that our members find themselves in within their respective local authorities. Councils are facing a very difficult in-year financial position and the outlook for coming financial years is stark.

ADSS Cymru and its members will, nevertheless, continue to work closely with our health colleagues across the regions and do everything we can to plan for and meet demand over the winter period and beyond. However, due to capacity demands and budget constraints, the ability to consistently support citizens will be impacted, for example, the quick and timely discharge from hospital in all areas will not always be achievable. Nevertheless, we will continue to ensure that resources and capacity can be used as effectively and efficiently as possible, which includes examining what can be done differently.

The local government family have an ambitious vision for social care in Wales that we published in the early autumn.ⁱⁱⁱ That vision is predicated on securing a sustainable, long-term funding solution to allow the sector to attract, develop and retain its best workforce, to invest in more preventative and early intervention service provision and to explore new integrated care opportunities using digital and emerging technologies. However, unless the Welsh Government resolves the funding position, the sector is only going to remain in a position of perpetual crisis escalation, which will mean a demoralised and depleted workforce and persistent unmet and under-met need.

Alwyn Jones
President
ADSS Cymru (2023-24)

ⁱ Social Care Wales, [Pilot Workforce Survey – Overall report of findings, August 2023](#), (as accessed on 28 November 2023).

ⁱⁱ Welsh Government Announcement: [Welsh Government protect health, transport and public services](#), 17 October 2023, (as accessed on 28 November 2023).

ⁱⁱⁱ ADSS Cymru, SOLACE, Social Care Wales & WLGA, [A Vision for Social Care in Wales](#), September 2023, (as accessed on 28 November 2023).

SUMMARY OF SOCIAL SERVICES FINANCIAL PRESSURES: 2024/5 AND ONWARDS

November 2023

Purpose

1. This paper provides an assessment of Social Services spending pressures.
2. It includes information covering the current financial year (2023-24) and also provides estimates of the pressures in 2024-25, 2025-26 and 2026-27 based on local authorities' medium-term financial plans and information supplied in a survey of all 22 councils carried out during August/September 2023 with the help of the Society of Welsh Treasurers (SWT) as well as additional detail from members of the Association of Directors of Social Services (ADSS) Cymru.
3. It should be noted that the pressures calculated within this paper are based upon maintaining working practices and core structures as they are at present – these are the financial pressures services are facing to just 'standstill'. The paper allows for inflationary pressures in line with increasing salaries and fees within normal parameters, however, this does not allow for increasing salaries and fees at a higher aspirational rate to address the current workforce and system challenges. Without additional funding these challenges are likely to continue and exacerbate.

Overall Local Government Pressures

4. In 2024-25 local authorities will face an estimated pressure of £809m. In 2025-26 it will be £604m and £612m in 2026-27. Cumulatively, the pressures building up in the system across local government, and the resulting budget gap, means that the outlook is extremely bleak and the options for many local services will be unpalatable.
5. While the pressures in the current financial year were offset by a better-than-expected settlement in 2023/4, it is becoming clear that there are additional in-year pressures amounting to £219m. In some authorities, these projected overspends have become particularly acute with a range of measures being implemented to balance budgets.
6. The planned increases in Aggregate External Finance (AEF) for 2024-25 is £169m, or 3.1%, which will cover just over a fifth of the pressure in the financial year. The latest estimates from Wales Fiscal Analysis for subsequent years shows the outlook on funding to be particularly stark, with councils relying mostly on council tax for any additional funding.

7. Without additional funding, the risk to council services including education and social care cannot be overstated. The aggregate annual budget gap in each of the next 3 years is £432m, £429m and £433m in the run up to 2026-27. In total, the cumulative funding gap could potentially be £1.294bn. Some of the gap will be met through efficiencies and other measures but given the scale of the challenge, many councils will have to consider large scale service cuts and a significant loss in council posts.

Summary of Social Services Pressure in Current Year (2023-24)

8. Social care makes up 50% of the estimated overall additional in-year pressures, or £109m. This is around 4.7% of budgeted net revenue expenditure¹ and builds on a £93m overspend on social services in the previous financial year (2022-23).
9. The table below provides a breakdown of the make-up of the social services overspend:

Current year pressures	2023-24
	£000s
Pay Inflation pressures	5,281
Non pay inflation pressures	3,866
Commissioning cost pressures	13,201
Demand related pressures - Adults	45,683
Demand related pressures – Children’s	40,730
Overall Total	£108,761

Source: WLGA/SWT Survey September 2023

10. The increasing demand and complexity of need across both adults and children’s services, including the need for high-cost placements, accounts for much of these additional costs. The returns indicate that children’s residential placements account for over £26m of the total, adults residential placements £20.5m and adults domiciliary care £15m.

Summary of Social Services Pressures 2024-25, 2025-26 and 2026-27

11. The considerable financial challenges continue into 2024-25 and beyond. Next financial year there is a £261m pressure which represents an 11.3% increase in current budgets and accounts for 36% of the total financial pressures councils will face. Commissioning costs, as well as pay and non-pay inflation account for £180m of the pressure. The remainder is down to demand which accounts for £81m. There is an additional pressure of £187m in 25-26, and £198m in 26-27 respectively giving a cumulative total of £646m.
12. The table below provides a summary of how these financial pressures for social services are broken down:

	2024-25	2025-26	2026-27	Total
	£000s	£000s	£000s	£000s
Pay inflation pressures	41,944	34,156	34,546	110,646
Non pay inflation pressures	27,377	19,991	20,265	67,633

¹ Social care net revenue expenditure is budgeted at £2.302bn in 2023-24 (Source: Welsh Government RA Returns)

Commissioning cost pressures - Adults	83,894	69,689	77,665	231,248
Commissioning cost pressures - Children's	20,308	16,854	18,244	55,406
Demand related pressures - Adults	47,235	26,121	28,211	101,567
Demand related pressures – Children's	34,210	12,353	12,237	58,801
Reduction in specific grants	3,047	6,383	4,753	14,183
Local priorities	500	127	218	845
Other	2,621	1,405	1,649	5,675
Overall Total	£261,136	£187,079	£197,788	£646,004

Source: WLGA/SWT Survey September 2023

What is Behind these Pressures?

13. Councils continue to be extremely concerned about the current pressures facing social care. The survey demonstrates the continuing impact of growing demographic, cost of living, workforce and inflationary pressures facing all parts of the social care system. The impact is that budgets are not stretching as far, families and unpaid carers are facing further strains, and recruitment and retention of the workforce remain huge challenges.
14. Increasing demand for services, as well as increasing complexity add to these pressures and concerns. Appendix 1 presents case studies from both adults and children's services which demonstrate examples of the levels of complexity presenting to social services, the challenges faced in meeting these needs, but also the amount of time and effort councils and their social care workers make in order to find and put appropriate care and support in place. It also presents some of the most recent available data to try to demonstrate the levels of demands that continue to be met by councils.
15. Commissioned services from independent providers, which are essential to the provision of social care, are also affected by similar issues to local authority social care services with increased running costs for staffing and energy, as well as increases in relation to insurance and fuel which are further exacerbating the significant financial pressures.
16. The combination of increasing demand, complexity of need and workforce shortages has resulted in higher costs and, as a consequence, increased expenditure for councils to meet the escalating costs of placements across both adults and children's services. Local authorities have flagged this as a significant risk. One local authority identifies that residential and nursing homes are seeking a rise in fees of around 20% and another has experienced roughly a 10% increase in fees in each of the last two years. While uplifts are being factored into medium term financial planning concerns remain about the likelihood of demands for higher increases and therefore further costs to local authorities.
17. On top of increasing costs some councils also identified increasing need and demand for care home placements, particularly in relation to Step Closer to Home. One council reported an 8.5% increase in externally commissioned care home placements in the last 6 months (April-October), with this continuing to rise.

18. The survey indicates that the social care market remains fragile, and this has impacts for the long-term sustainability of the sector. It also reveals councils' concerns about growing demand for both adults and children's services, their capacity and resources available to meet these demands, along with reductions in quality and choice available. This is a significant concern.
19. The difficulty of recruiting and retaining social care workers continues to be a major issue highlighted by councils along with recruitment challenges for qualified, high quality Social Workers, particularly in children's services. In order to mitigate some of the recruitment and retention challenges some councils continue to have to rely on the use of agency staff and these costs further add to financial pressures in future years. As one council identifies, despite efforts to redesign service delivery to minimise the requirement of Social Workers recruited through agency there is still an associated overspend of £1.2m due to agency backfill of vacant posts.
20. Social Care Wales' recent [social care workforce survey](#) underlines some of these workforce challenges. Whilst social care workers feel valued by the people and families they support, they also feel undervalued by the public and underpaid for the work they do. More than a quarter of workers claim they are likely to leave the sector in the next 12 months (26%) and 44% feel at least 'quite likely' to leave the sector in the next five years. The most common reason given for expecting to leave in the next 12 months is low pay (66%), while feeling overworked (54%) and poor employment or working conditions (40%) are also significant factors.
21. The financial survey highlights concerns that continue to be raised in relation to the provision of packages of care. Increased demand, along with a lack of suitable providers has previously been identified as an issue in the provision of domiciliary care. Local authorities identified an increase in the complexity of the care home packages needed to be put in place, alongside increasing costs. The result is that councils can struggle to have enough capacity to be able to meet the assessed need and ensure the sustainable provision of care.
22. Issues in relation to access to Continuing Healthcare were also flagged meaning that local authorities were persistently having to fund the majority, if not all, of these care packages rather than health.
23. In addition, some authorities have referred to the financial impacts of Social Care 'Tourism' with clients moving over from England to benefit from the more generous capital threshold limits in Wales when moving into a care home setting. It was also reported that there are examples in non-residential services where family members have moved in with relatives in Wales from across the border to apply for a direct payment to look after their relative which is allowed in Wales but not in England. Councils also identify seeing individuals who have had delays in accessing healthcare and are now presenting to social services with higher dependency needs that require more costly care provision.
24. Increased demand and complexity of cases in particular client groups was also reported. For example, pressures and costs in packages of care and support across mental health and learning disability services are identified in the survey responses. One local authority pointed to the increasing numbers of under 65-year-olds with a learning disability requiring support which will need to continue to be met in future years.
25. The impacts of the cost of living crisis were highlighted as leading to rising pressures on families which has meant that some councils are experiencing increased numbers of children entering care. A number of councils also reported an increase in safeguarding referrals, with one council reporting a doubling of referrals in the past year. The number of child protection investigations being undertaken were also reported as increasing in a

number of councils. One council identified a nearly 700% increase between 2018-19 and 2022-23, with others identifying a doubling of investigations.

26. Concerns continue to be highlighted over challenges finding appropriate and quality placements for children and young people. In particular, there remains a lack of provision for children with complex needs where there is a lack of both fostering and residential placements available. Unprecedented levels of emergency placements for residential placements, increased use of independent placements and increased pressures to find foster placements were all pointed towards with the cost of out of county placements continuing to rise, as well as demand for specialised placements exceeding supply. Weekly costs in excess of £20,000 per week for placements were identified and one local authority reported that their children's services budget has increased by £11m (56%) over the last 3 years, with specialist placement costs increasing by £6.6m (44%) over the same period. Another highlights that despite a £9.5m budget build into their placements budget for 23/24 (17% equivalent), in month 6 the council was still recording an £8.5m budget overspend, primarily due to the cost of residential placements. Here placements made during the year are proving more costly than historic placements. Factoring in fee uplifts and price differentials in new placements, residential placements price inflation from 1 April 2023 to 31 September 2023 was 9%, at a cost of £2m to this particular council.
27. These significant placement and system pressures are leading to situations where placements cannot be sourced despite: i) extensive national searches; ii) issuing specific tenders; and iii) seeking to enter into spot purchasing arrangements. In one case 143 individual placement searches were made for a child to no avail.
28. Increasingly local authorities are being placed in the position of needing to establish bespoke placement arrangements for children and young people that operate outside of the Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) registration regime. A review of a selection of these arrangements across Wales shows that there are particular pressures points in sourcing placements for young people stepping down from secure accommodation, hospital, as well as providing instant responses where providers have served immediate notice on a placement, which often follows high levels of dysregulated behaviour. In the cases reviewed common features were significant childhood trauma, multiple Adverse Childhood Experiences (ACEs), Neuro Diversity, emotional and behavioural difficulties with involvement of multiple agencies.
29. Managing these arrangements take significant workforce and financial resources as well as leadership capacity in overseeing risk and organisational management and Care Inspectorate Wales (CIW) governance compliance. In response councils are seeking to create their own in-house provision, but this takes time and resource to establish.
30. The survey responses also pointed towards some of the policy direction in Wales leading to increased financial pressures. The commitment to eliminate private profit from the care of looked after children was highlighted as having a detrimental impact on the availability of placements. Local government has previously outlined its support towards Welsh Government's commitment to eliminate private profit from the care of children looked after. However, there remain concerns about the resources and capacity available and the timescales being worked towards. Councils also highlighted risks around the adequacy of the grant funding to fully cover transitional costs and the risk if the period of transition does not extend beyond the current funding period of 2024/25.
31. Survey responses also recognised that the need to place children via the National Transfer Scheme has increased cost pressures and has resulted in Unaccompanied Asylum Seeking Children (UASC) often being placed out of county/country to meet their identified needs which come with significant cost implications. As a result of recent court judgements it was highlighted that this could mean there will be an increase in UASC's who will need to be placed in ever reducing numbers of placements.

32. Similarly, concerns over the tapering of the Regional Integration Fund were raised with a reflection that any reductions in grant funding levels across social services will require reviews of service provision to be undertaken and the risk that service reduction proposals would need to be considered as part of this. The implementation of the Real Living Wage for social care workers was also highlighted. Although the Welsh Government has provided funding to support this pay uplift, which has been welcomed, there is a need to further consider the effect of the price differential of senior staff/managers amid concerns that funding is not keeping pace with the extra costs associated with implementing this policy. This is particularly pertinent given the recent announcement that the Real Living Wage should increase by 10% to £12 per hour in 2024.
33. One suggestion put forward by councils in response to some of the challenges being seen is the need to review the current maximum charge for non-residential care. As one council identifies, at the current average hourly cost of care, the maximum weekly care charge could be reached by as few as 4 care hours per week. Whilst there is recognition of Welsh Government's ambition to move towards establishing a National Care and Support Service, with social care delivered free at the point of need, in the current financial context this aspiration remains some way off from being realised. In the meantime, there remains a need to examine all levers available that can help to ease the financial pressures being experienced by services.

Conclusion

34. Earlier this year the WLGA published [research](#) examining the challenges facing the social care sector and local government's priorities for social care. The research identified a system under enormous pressure due to: rapid demographic changes across Wales; the on-going impact of the COVID-19 pandemic; workforce challenges; funding difficulties; and the increase in the costs of living.
35. Workforce issues topped the list of key concerns, alongside a lack of sustainable funding, and challenges associated with meeting more complex needs. The financial estimates of the 22 Welsh authorities adds further support to these conclusions. Moreover, they also raise the very real concern that with the scale of the financial challenges being experienced, the level of protection that has been afforded to social services to date will not be possible for much longer. This puts councils ability to successfully deliver good quality social care services when needed at risk in future years.
36. Councils have long recognised and lobbied for an increased focus and investment in prevention and early intervention services. This was a vision set out by local government in the recent '[Vision for Social Care in Wales](#)' and is an ambition shared by Welsh Government. However there continues to be a struggle to make this shift a reality. There is a clear awareness of the need for interventions at an earlier stage to prevent escalation of issues, for example there is evidence that interventions such as reablement have the potential to prolong people's ability to live at home and reduce or even remove the need for care². Such an approach will lead to better outcomes for citizens and their families, better care experiences and less pressure on social services as a whole. Delivering this requires significant investment into new and existing preventative services and means a shift in both focus and resources across the health and social care system as a whole; from health systems centred around hospitals, to health and social care systems focused on communities and community services.

² The value of investing in social care: What are the benefits of further funding for reform to adult social care in England?. The Health Foundation; 2021.

37. Social care provides essential care and support services that link to a wide range of other services that can support people's health and wellbeing such as work, housing, social interaction and a good environment, services which local government plays an essential role in delivering. Evidence from the World Health Organisation's Equity Status report identifies that only 10 per cent of health gain comes from health services³. **Ultimately, the biggest impact on health and wellbeing is in addressing the wider determinants of health and ensuring that local government has the power, flexibility and resources to fulfil their core purpose of ensuring that all their residents have the opportunities to have the best start in life, to live well and age well.**

³ Healthy, prosperous lives for all: WHO European Health Equity Status Report (2019)

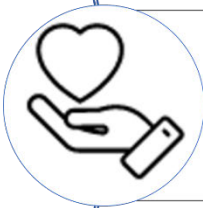
Appendix 1 - Demand and Complexity



Social Services Contacts

367,312 contacts received by statutory social services for adults, carers and children.

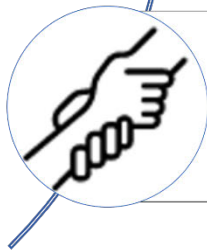
This equates to **1,006 contacts every day** and 42 every hour.



Assessments

126,046 new assessments were undertaken across both adults and children's services.

This equates to **345 new assessments undertaken every day**



Care and Support

On 31 March, **75,156** people (adults, children and carers) had a care and support plan in place.

21,463

reports of an adult suspected of being at risk were received

7,080

children were looked after

3,670

children placed on the child protection register during the year

Source: StatsWales⁴

Case Studies

Adult Services

Case A - A is a 67-year-old individual who suffered a severe stroke in 2018, resulting in limited mobility. They spend most of their time in bed, despite being able to transfer from bed to a wheelchair. A lives alone on the first floor of their property and depends on others for all daily activities. They lack familial support and engage in high-risk relationships with individuals invited into their home. A's challenging behaviour has caused multiple external providers to withdraw their services due to emotional demands and environmental risks. A was admitted to the hospital in April 2021, and discharge was delayed due to the lack of available providers. After multiple unsuccessful attempts, A received some support from a Complex Case team for three months, marking the longest period of consistent care.

Professionals involved in A's case include a GP, District Nurses, Acute medical staff, Social Worker, Social Team Manager, Occupational Therapist, Physiotherapist, Psychologist, Care Manager, and Environmental Health Officers.

⁴ Available at [Social Services Performance and Improvement Framework \(gov.wales\)](https://gov.wales/social-services-performance-and-improvement-framework). Data covers 2021-22

Case B - B is a 63-year-old individual with bariatric needs and complex health issues, including a palliative diagnosis. They lived on the second floor of an apartment with their partner, who served as their full-time caregiver. Following a medical emergency and advice from the fire service, B was evacuated from their apartment and unable to return due to safety concerns. B spent time in the hospital, and discharge was delayed because of the lack of a suitable property. Eventually, B was admitted to residential care, which is unsuitable due to wheelchair inaccessibility and low mood. B's partner commutes a considerable distance daily to provide personal care as B refuses care from the care home staff.

Professionals involved in B's case include the Fire Service, GP, District Nurses, Acute Medical staff, Homelessness Team, Housing Team, Social Worker, Care Home Manager, Occupational Therapist, and Community Equipment Stores.

Children's Services

Following placement breakdown a young person was placed in a local authority Home that was registered for respite. The complexity of the young person's needs and their emotional dysregulation led to significant risks. Additional support was commissioned through three private care agencies who accepted contracts to provide care and supervision but left the contract as they felt staff were at risk. A nursing agency then accepted the contract to provide care and supervision on a 5-1 staffing ratio. The local authority tendered the provision and awarded the contract to a 3rd sector organisation to provide therapeutic care and bring the care home to registration standard. However, in attempting to retro-fit the property to registration standard, the increased number of contractors on site created an environment which increased the young person's dysregulation increasing the need for restraint, raising risk for the child and staff. The local authority therefore had to purchase a bespoke property. Whilst this service was established the local authority continued to with a staffing ratio of 5-1 as the nursing agency would not remain on the contract with less than 5-1. The process took almost 2 years with associated costs.

A young person was living in a solo placement when the provider served immediate notice due to their behaviours. Emergency arrangements were put in place with accommodation and care provided by local authority residential staff and commissioned nursing agency staff. The local authority commenced active placement searches and established a bespoke move for the young person from the emergency provision. The only viable arrangement was a privately rented house. Unfortunately no registered provision could be sourced but the focussed support provided were effective with the young person's behaviours stabilising. Unfortunately, this was not sustained and their risk behaviours in the community escalated along with behaviours in the home with high levels of assault on staff and damage to the property. Given the associated risks a Secure Accommodation Order was granted. However, there were no available Secure beds anywhere in the UK and the local authority had to maintain the local arrangement and the associated significant risk of harm for the young person, staff and anti-social behaviour in the community, for 4 weeks before a secure bed was sourced. There are active plans for the young person's step down from secure provision. The local authority has purchased a property, with funding from Housing with Care Fund HCF, to develop into a solo placement for the young person. The property is a 4-bed detached house.

It is of note that in both cases grant funding and local authority investment is supporting solo placements as the young people cannot be appropriately matched and supported with other children. The costs of establishing and running these provision has significant financial implications for local authorities.

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 52: Comisiynydd y Gymraeg | Response from: Welsh Language Commissioner





Delyth Jewell AS
Cadeirydd
Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol
Senedd Cymru

30/11/2023

Annwyl Gadeirydd,

Cyllideb ddrafft Llywodraeth Cymru ar gyfer 2024-25

Diolch ichi am y cyfle i gynnig sylwadau i'ch cynorthwyo gyda'r gwaith craffu ar gyllideb ddrafft Llywodraeth Cymru ar gyfer 2024-25. Mae fy sylwadau isod yn benodol yn ymwneud â'r angen i sicrhau bod eich gwaith craffu yn ystyried effaith penderfyniadau ynghylch dyraniad y gyllideb ar gyfleoedd i bobl ddefnyddio'r Gymraeg. Nid yw'r meysydd y mae'r [Pwyllgor Cyllid wedi'u nodi](#) fel rhai y dymuna i'r gwaith craffu ganolbwyntio arnynt yn cynnwys y Gymraeg yn benodol. Fodd bynnag, credaf y byddai gan nifer o'r feysydd ddylanwad ar gyfleoedd i ddefnyddio'r Gymraeg ac mae angen sicrhau bod y Gymraeg yn cael ei hystyried wrth eu trafod yng nghyd-destun y gyllideb. Mae'r rhain yn cynnwys y canlynol:

- Cynaliadwyedd gwasanaethau cyhoeddus, arloesi a thrawsnewid gwasanaethau a'r angen i roi digon o adnoddau i lywodraeth leol fedru ymdrin â phwysau cynyddol**

Mae gofyn i fwy na 120 o sefydliadau cyhoeddus weithredu yn unol â safonau'r Gymraeg felly mae angen sicrhau bod cyllid digonol ar eu cyfer i'w galluogi i weithredu yn unol â'r gofynion statudol hynny. Yn eu plith mae pob un o awdurdodau lleol a pharciau cenedlaethol Cymru. Mae gofyn iddynt hwy yn benodol lunio strategaethau 5 mlynedd ar gyfer cynyddu'r defnydd o'r Gymraeg yn eu hardaloedd. Mae angen sicrhau bod ganddynt gyllideb ddigonol er mwyn eu galluogi i weithredu amcanion eu strategaethau er budd hyfywedd y Gymraeg yn eu cymunedau.

- yr angen i wasanaethau gydweithredu i fynd i'r afael â'r heriau sy'n wynebu'r GIG a'r sector gofal cymdeithasol**

Yn ogystal â'r awdurdodau lleol y cyfeiriwyd atynt uchod mae gofyn i bob bwrdd iechyd gydymffurfio â safonau'r Gymraeg gan gynnwys safon penodol (safon 110) sy'n ei gwneud yn

Comisiynydd y Gymraeg

Siambrau'r Farchnad
5-7 Heol Eglwys Fair
Caerdydd CF10 1AT

0345 6033 221

post@comisiynyddygybraeg.cymru

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

comisiynyddygybraeg.cymru

Welsh Language Commissioner

Market Chambers
5-7 St Mary Street
Cardiff CF10 1AT

0345 6033 221

post@welshlanguagecommissioner.wales

Correspondence welcomed in Welsh and English

welshlanguagecommissioner.wales



ofynnol iddynt lunio cynllun ar gyfer darparu gofal clinigol i gleifion. Mae Llywodraeth Cymru hefyd wedi llunio cynllun gweithredu ar gyfer cynyddu'r defnydd o'r Gymraeg yn y sector iechyd a gofal sef *Mwy na geiriau*. Gan dderbyn bod pwysau mawr ar wasanaethau iechyd a gofal, mae'n hanfodol bod adnoddau digonol ar gael i alluogi cyrff i weithredu safonau'r Gymraeg a champau gweithredu *Mwy na geiriau* fydd yn arwain at well gofal a chanlyniadau i bobl sydd angen derbyn gofal yn y Gymraeg.

- o **sut y mae tystiolaeth yn llywio gwaith Llywodraeth Cymru o ran pennu blaenoriaethau a dyrannu'r gyllideb; pa effaith y mae pwysau chwyddiant yn ei chael ar gyllidebau refeniw a chyfalaf a sut mae hyn wedi newid fforddiadwyedd cynlluniau blaenorol**

Wrth [graffu ar gyllideb 2023-24 nododd eich y Pwyllgor](#) 'bryder – o ystyried y pwysau chwyddiant presennol – y bydd yn rhaid i sefydliadau gyflawni llai nag y maent yn ei wneud ar hyn o bryd' ac 'os yw Llywodraeth Cymru o ddifri am gyrraedd targed Gymraeg 2050, y bydd angen iddi sicrhau bod y sefydliadau hynny sy'n cefnogi cyfleoedd cyfrwng Gymraeg yn y gymuned yn cael adnoddau a chefnogaeth ddigonol. Mae hyn yn arbennig o bwysig mewn ardaloedd difreintiedig a'r mannau hynny lle nad yw'r Gymraeg yn cael ei siarad mor eang, yn enwedig o ystyried y pwysau costau a berir gan chwyddiant a chynnydd mewn costau byw.' Rwyf o'r farn fod y sylwadau hyn yn parhau yn berthnasol wrth graffu ar gyllideb 2024-25. Yn ychwanegol at bwysau chwyddiant rhaid cofio mai dyma gyllideb gyntaf Llywodraeth Cymru ers cyhoeddi canlyniadau Cyfrifiad 2021. Dylid defnyddio tystiolaeth y cyfrifiad ynghylch sefyllfa'r Gymraeg wrth bennu blaenoriaethau'r Llywodraeth. Er fy mod o'r farn fod canlyniadau Cyfrifiad 2021 yn portreadu darlun mwy cymhleth na'r ffigurau moel, erys y ffaith eu bod yn dangos y nifer a'r ganran isaf (538,300, 17.8%) o siaradwyr Gymraeg a gofnodwyd erioed ac y gwelwyd y gostyngiad mwyaf sylweddol yn niferoedd y siaradwyr Gymraeg yn siroedd gorllewin Cymru sef cadarnleoedd y Gymraeg yn draddodiadol. Mae'n glir felly nad dyma'r amser i geisio canfod arbedion o fewn cyllideb y Gymraeg. Bydd angen i gyllideb 2024-25 fynd i'r afael â'r heriau sy'n wynebu'r Gymraeg sy'n cael eu hamlygu gan y cyfrifiad a sicrhau bod buddsoddiad digonol ar gael i alluogi gwireddu amcanion Strategaeth Gymraeg 2050. Mae'n bryder gennyf beth fydd effaith pwysau chwyddiant ar allu nifer o'r partneriaid sy'n cyfrannu'n lleol ac yn genedlaethol at weithredu Strategaeth Gymraeg 2050, a beth fydd yr effaith ar allu Llywodraeth Cymru i wireddu'r cynlluniau sy'n rhan o'r strategaeth. Mae angen sicrhau hefyd fod y Gymraeg yn cael ei phrif ffrydio yn llawn ac yn derbyn cefnogaeth ddigonol yn ffrydiau ariannu eraill y Llywodraeth nad ydynt yn uniongyrchol yn ymwneud â'r Gymraeg.



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

o **yr angen i roi mwy o gymorth i'r rhai sy'n astudio ac yn gweithio yn y sector addysg** Cyhoeddodd Llywodraeth Cymru bapur gwyn ar addysg Gymraeg yn ystod 2023, a'r bwriad yw y bydd yn cyflwyno deddfwriaeth gerbron Senedd Cymru yn 2024. Mae'r papur gwyn yn cynnig gweledigaeth uchelgeisiol i osod mewn deddfwriaeth y disgwyliad y bydd holl blant Cymru yn gadael yr ysgol yn siarad Cymraeg yn hyderus gan osod y Gymraeg, a dysgu'r Gymraeg, fel rhan greiddiol o addysgu plant a phobl ifanc Cymru. Mae Llywodraeth Cymru eisoes yn cefnogi gweithgareddau fydd yn cyfrannu at weithredu gweledigaeth y papur gwyn. Rhaid sicrhau bod cyllideb 2024-25 yn ddigonol i alluogi parhau a chynyddu'r mentrau hyn er mwyn arwain at gyflawni gweledigaeth y papur gwyn. Mae hyn yn arbennig o wir yng nghydestun y gweithlu addysg lle credaf fod angen buddsoddiad sylweddol i ddatblygu'r gweithlu addysg yn y tymor byr er mwyn gwireddu bwriadau'r papur gwyn pan ddaw yn fater o ddeddfu yn ddiweddarach.

Mae rhai o'r materion eraill y mae'r Pwyllgor Cyllid yn awyddus i'w hystyried yn cynnwys adnoddau i gefnogi adferiad economaidd, a pholisïau Llywodraeth Cymru i leihau tlodi ac effaith yr argyfwng costau byw gan gynnwys canfod atebion dan arweiniad y gymuned i fynd i'r afael ag achosion sylfaenol tlodi ac anghydraddoldeb. Mae'n glir imi y byddai adferiad economaidd a lleihau tlodi ac effaith yr argyfwng costau byw yn cael effaith gadarnhaol ar gymunedau lle mae'r Gymraeg yn parhau yn iaith gymunedol fyw ond yn wynebu shifft ieithyddol i'r Saesneg. Ategir hyn gan waith y Comisiwn Cymunedau Cymraeg a nododd yn ei [bapur safbwynt](#) a gyhoeddwyd ym mis Mehefin bod angen ystyried amrywio mewn meysydd sosioeconomaidd a sosioieithyddol er mwyn sefydlogi'r Gymraeg fel iaith gymunedol yn yr ardaloedd hyn. Dylid sicrhau felly bod y Gymraeg a'i defnydd fel iaith gymunedol yn cael eu hystyried wrth ystyried effaith penderfyniadau ynghylch adferiad economaidd a lleihau tlodi ac anghydraddoldeb.

Gobeithio y bydd y sylwadau hyn o ddefnydd ichi wrth ichi graffu ar gyllideb ddrafft Llywodraeth Cymru.

Yr eiddoch yn gywir,

Efa Gruffudd Jones
Comisiynydd y Gymraeg



**Comisiynydd y
Gymraeg
Welsh Language
Commissioner**

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 52: Comisiynydd y Gymraeg | Response from: Welsh Language Commissioner





Delyth Jewell MP
Chair
Culture, Communications, Welsh Language, Sport and International Relations Committee
Senedd Cymru

30/11/2023

Dear Chair,

Welsh Government draft budget for 2024-25

Thank you for the opportunity to provide you with comments to assist you in scrutinising the Welsh Government's draft budget for 2024-25. My comments below specifically relate to the need to ensure that your scrutiny work considers the impact of budget allocation decisions on opportunities for people to use the Welsh language. The areas that the [Finance Committee has identified](#) as ones on which it wishes the scrutiny to focus do not specifically include the Welsh language. However, I believe that many of the areas would have an influence on opportunities to use the Welsh language and there is a need to ensure that Welsh is considered when discussing them in the context of the budget. These include the following:

- o **The sustainability of public services, innovation and service transformation and the need to provide sufficient resources for local government to deal with increasing pressures**

More than 120 public organisations are required to operate in accordance with the Welsh language standards and therefore there is a need to ensure that they are adequately funded to enable them to operate in accordance with those statutory requirements. These include all local authorities and national parks in Wales. In particular, they are required to produce 5-year strategies for increasing the use of the Welsh language in their areas. There is a need to ensure that they have an adequate budget to enable them to implement the objectives of their strategies in order to benefit the viability of the Welsh language in their communities.

Comisiynydd y Gymraeg

Siambrau'r Farchnad
5-7 Heol Eglwys Fair
Caerdydd CF10 1AT

0345 6033 221

post@comisiynyddygybraeg.cymru

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

comisiynyddygybraeg.cymru

Welsh Language Commissioner

Market Chambers
5-7 St Mary Street
Cardiff CF10 1AT

0345 6033 221

post@welshlanguagecommissioner.wales

Correspondence welcomed in Welsh and English

welshlanguagecommissioner.wales



- **the need for services to co-operate to address the challenges facing the NHS and social care sector**

In addition to the local authorities referred to above, every health board is required to comply with the Welsh language standards including a specific standard (standard 110) which requires them to produce a plan for the provision of clinical care to patients. The Welsh Government has also produced an action plan for increasing the use of Welsh in the health and care sector, namely *More than just words*. Whilst we fully understand that there is great pressure on health and care services, it is essential that adequate resources are available to enable bodies to implement the Welsh language standards and the actions of *More than just words* that will lead to better care and outcomes for people who need to receive care in Welsh.

- **how evidence informs the Welsh Government's work in setting priorities and allocating the budget; what impact are inflationary pressures having on revenue and capital budgets and how has this changed the affordability of previous plans**

In [scrutinising the 2023-24 budget, your Committee noted](#) 'concern – given the current inflationary pressures – that organisations will have to achieve less than they currently do' and 'if the Welsh Government is serious about meeting the Cymraeg 2050 target, it will need to ensure that those organisations that support Welsh-medium opportunities in the community are adequately resourced and supported. This is particularly important in deprived areas and places where the Welsh language is not so widely spoken, particularly given the pressures of costs caused by inflation and increases in living costs.' I consider that these comments remain relevant when scrutinising the 2024-25 budget. In addition to the pressures of inflation, it must be borne in mind that this is the Welsh Government's first budget since the results of the 2021 Census were published. The census evidence regarding the position of the Welsh language should be used in determining the Government's priorities. Although I am of the opinion that the results of the 2021 Census represent a more complex picture than the bare figures, the fact remains that they show the lowest number and percentage (538,300, 17.8%) of Welsh speakers ever recorded and that the most substantial drop was seen in the number of Welsh speakers in the counties in the west of Wales, namely the traditional strongholds of the Welsh language. It is therefore clear that this is not the time to try to find savings within the Welsh language budget. The 2024-25 budget will need to address the challenges facing the Welsh language highlighted by the census and ensure that sufficient investment is available to



enable the objectives of the Cymraeg 2050 Strategy to be realised. I am concerned about the impact of inflationary pressures on the ability of many of the partners who contribute locally and nationally to implementing the Cymraeg 2050 Strategy, and what the impact will be on the Welsh Government's ability to deliver the plans that are part of the strategy. There is also a need to ensure that the Welsh language is fully mainstreamed and adequately supported in other Government funding streams that do not directly involve the Welsh language.

- o **the need to give more support to those studying and working in the education sector**

The Welsh Government published a white paper on Welsh-medium education during 2023, which is intended to bring legislation to Senedd Cymru in 2024. The white paper proposes an ambitious vision to set out in legislation the expectation that all children in Wales will leave school speaking Welsh confidently, placing the Welsh language, and learning the Welsh language, as a core part of educating the children and young people of Wales. The Welsh Government is already supporting activities that will contribute to the implementation of the white paper's vision. It must be ensured that the 2024-25 budget is sufficient to enable these initiatives to be sustained and increased in order to lead to the delivery of the white paper's vision. This is particularly true in the context of the education workforce where I believe that substantial investment is needed to develop the education workforce in the short term in order to realise the intentions of the white paper in the long run.

Other issues that the Finance Committee is keen to consider include resources to support economic recovery and Welsh Government policies to reduce poverty and the impact of the cost of living crisis including the identification of community led solutions to tackle the root causes of poverty and inequality. It is clear to me that economic recovery and reducing poverty and the impact of the cost-of-living crisis would have a positive impact on communities where the Welsh language remains a living community language but facing a linguistic shift to English. This is supported by the work of the Commission for Welsh-speaking Communities which noted in its [position paper](#) published in June that there is a need to consider variation in socio-economic and socio-linguistic fields in order to stabilise the Welsh language as a community language in these areas. It should therefore be ensured that the Welsh language and its use as a community language are taken into account when considering the impact of decisions on economic recovery and reducing poverty and inequality.



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

I trust hope these observations will be useful to you as you carry out your scrutiny of the Welsh Government's draft budget.

Yours sincerely,

Efa Gruffudd Jones
Welsh Language Commissioner