



Ein cyf/Our Ref: SF/JH/2104/15

Christine Chapman AM
Chair, Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff
CF99 1NA

27th July 2015

Dear Christine,

Communities, Equality and Local Government Committee legacy work: request for update on progress against Committee recommendations.

Thank you for your letter of 15 June, requesting an update on progress against the Committee's recommendations regarding equality impact assessing the Welsh Government's budget.

Enclosed is a table at Annex A, providing an update on the recommendations contained in your report '*Equality considerations in the Welsh Government's budget*'.

Yours sincerely,

Lesley Griffiths AC/ AM
Y Gweinidog dros Cymunedau a
Threchu Tlodi
Minister for Communities & Tackling
Poverty

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

Response to the Communities, Equality and Local Government Committee’s request for an update on progress against the Committee’s recommendations

In November 2012 the Committee made seven recommendations in regards to the Equality Impact Assessment of the Budget. This table provides an update on action taken by the Welsh Government as a result.

Recommendation	Progress update
<p>1. Publish the EIA of the draft budget alongside the draft budget in order to underline the importance of the document as a tool of financial scrutiny.</p>	<p>Following the Committee’s recommendation, the Draft Budget 2014-15 EIA was published on 8 October 2013 alongside the Draft Budget. Each year since, we have published an Impact Assessment of our spending plans alongside our Budget proposals. We have also looked to continuously improve our approach year on year, by widening our considerations to include socio-economic disadvantage, children’s rights, Welsh language and sustainable development, in addition to the focus on equality. In line with this, we published the Strategic Integrated Impact Assessment (SIIA) of the Draft Budget 2015-16, which was focused on the strategic decisions taken in the context of preparations for the Draft Budget 2015-16.</p>
<p>2. Take a more systematic approach to assessing equality impacts, rather than providing a narrative about how equality impacts were assessed</p>	<p>The Welsh Government accepted that the Impact Assessments undertaken when considering the Draft Budget should be more systematic in their approach. There are various steps we have identified and taken as a focus for improving our Impact Assessment of our spending plans, particularly in terms of the inclusion of consideration of impacts on socio-economic disadvantage, children’s rights, Welsh language and sustainable development, and in terms of the collection and use of evidence.</p> <p>Understanding the links between equality and the other areas of impact assessment allows us to add value to the way in which we make decisions. It enables us to consider the full range of potential impacts, and make a spending decision informed by that understanding..</p>

	<p>Potential impacts that have been identified have been supported by evidence and engagement with protected groups. Evidence used to support and shape the decisions taken for Draft Budgets has included the information and knowledge already held by the Welsh Government, together with previous EIAs and ongoing consideration of children's rights, sustainable development and Welsh language. The Budget Advisory Group for Equality (BAGE) has also made a valuable contribution to the evidence base.</p> <p>The period over which we have been developing our approach to Impact Assessments has been characterised by budget reductions. It has been incredibly difficult to accommodate these without impacts on those who depend on services. Where significant impacts on any of the protected groups were identified, departments were asked to provide further evidence and details of action to either mitigate negative impacts or enhance positive impacts.</p>
<p>3. Contain an assessment of the cumulative impact of multiple changes across departments, so assessments are not segregated.</p>	<p>The Impact Assessments of the Draft Budgets for 2014-15 and 2015-16 have included information that considered each protected characteristic and the potential impact that the collective spending decisions might have.</p> <p>To support the Draft Budget 2015-16, this was published in the Review of Evidence on Inequalities in Wales.</p> <p>We are aware that the evidence around particular protected characteristics is very limited, which makes it extremely difficult to assess accurately the potential impact of our spending on these protected groups. Our continual assessment of each of our policies and strategies and our ongoing engagement with these protected groups is helping to improve our evidence base. It will continue to do so over time, increasing the robustness of our impact assessment of our spending plans each</p>

	year.
<p>4. Include more of a focus on gender.</p>	<p>The Welsh Government has, over recent Draft Budgets, had an increased focus on considering equality and the effect on groups with protected characteristics has continued to be central to the budget process and we have sought to promote each of the protected characteristics, and as such we have sought to promote gender equality through our budgetary decisions.</p> <p>Over the term of this Government, and in response to the economic downturn, one of our key priorities has been the need to protect jobs and growth. As part of this, the Welsh Government has committed to widening the opportunities and accessibility of employment to women in Wales.</p> <p>The Welsh Government, in conjunction with European Social Fund ESF funding, has supported the Women Adding Value to the Economy (WAVE) project. The aim of this is to understand and address the ways in which gender pay inequalities are reproduced through occupational segregation in employment, through the ways in which women’s work is contracted and through the operation of pay systems.</p> <p>It is also clear that women will be disproportionately hit by the UK Government’s decisions on Welfare Reform, and may be disproportionately negatively affected by the tightening financial environment and reducing public services. We are seeking to mitigate these where possible.</p> <p>The Welsh Government currently provides funding to gender specific organisations in Wales, including £261,838 over 3 years for an all Wales Women’s Network (WEN Wales). The network can bring issues facing women to the attention of the Welsh Government. To ensure this the Women’s Equality Network (WEN) Wales is represented on the BAGE. Their expertise and contribution to the evidence base</p>

<p>5. Give an indication of how equality has been considered throughout the financial planning process, with the EIA acting as demonstration of this, rather than being a reactive document that accesses potential impacts after the decisions have already been made</p>	<p>feeds into our EIA considerations.</p> <p>EIAs are undertaken at the start of the decision-making process, ensuring the financial decisions made are fully informed by relevant equality considerations. As such, the financial decisions made and described within the Draft Budget EIA detail the potential impacts which have informed them.</p> <p>Policy decisions, including spending decisions, are assessed in the round, and the Welsh Government remains committed to mainstreaming, and embedding, the considerations of impacts on the people of Wales at the outset of policy development.</p> <p>Departments are instructed to have regard to cross-cutting themes, not only equality but also socio-economic disadvantage, children’s rights, Welsh language and sustainability development. In taking this approach, we have worked to avoid a checklist approach that prohibits an integrated approach to policy development. We are also committed to continually assessing each of our policies and strategies and our engagement with protected groups will help to improve the evidence base and therefore improve the EIA process.</p> <p>In the context of the budget, this means, in many cases, we have already taken steps early on in the budget setting process to mitigate negative impacts. However, reducing budgets will inevitably mean some negative impacts on different groups. Our EIAs help us to understand the impacts and mitigate the negative impacts where possible.</p>
<p>6. Include a copy of the EIA template used to identify equality impact, copies of (or links to) the actual EIAs (which were referenced</p>	<p>The Welsh Government provides a suggested template for the completion of an EIA, and this template is available on the Welsh Government internet page at: http://gov.wales/topics/people-and-communities/equality-diversity/?lang=en</p>

<p>in the EIA document)</p>	<p>Welsh Government Departments complete Equality Impact Assessments as part of their policy development or review of their policies and programmes and spending decisions. These are subsequently published on the Welsh Government internet, alongside the relevant policy/ decision.</p>
<p>7. Include a summary of changes that have been made as a result of the EIA process</p>	<p>Through our impact assessments, we are striving to ensure our investments are focused on tackling inequalities and poverty - to deliver a thriving economy and support diverse communities, where equality of opportunity is promoted and protection is provided for those who are most disadvantaged.</p> <p>Equality Impact Assessments have been taken on all of the spending decisions made by Ministers since the publication of the Draft Budget 2011-12. This has ensured that the decisions taken have been informed and influenced by equality considerations. As highlighted previously, against a backdrop of reducing budgets, we recognise that there will be some negative impacts. In this context, the focus does not rest solely on changes but on understanding the the full range of impacts in reaching a decision, and mitigating negative impacts where possible.</p> <p>Changes in budget proposals made between the Draft Budget and the Final Budget have been detailed in the Final Budget documentation.</p> <p>We have been consistently clear that our key investments continue to be health, schools and universal benefits, and also maintaining support for communities, and as such the focus of our spending plans on our main priorities of: health; growth and jobs; raising educational attainment; and supporting children, families and deprived communities.</p> <p>. Targeting funding in these areas has provided support for those who need it most and support Programme for Government priorities. With this in mind, we have used</p>

the strong evidence that improving educational outcomes and increasing skills can help individuals both in gaining employment and in increasing their earning levels, thereby helping to prevent poverty.

The allocations to the Health and Social Services budget have helped ensure we meet the future challenges facing our health service and secure the long term sustainability of the NHS in Wales. They reflect our commitment to the health and well-being of the people of Wales, and protecting, and providing additional funding has allowed for positive impacts for all the protected characteristic groups across Wales.