

Response to NAFW Finance Committee:

Call for information – Welsh Government draft budget proposals for 2017-18

September 2016

Introduction

Chwarae Teg exists to deliver our vision of a Wales where women achieve and prosper. We do this by working with women to broaden horizons and build confidence and skills; working with employers to create modern workplaces that are successful by harnessing everyone's contribution; and working with influencers, educators and decision makers to build a society that values, supports and benefits women and men equally.

We are pleased to provide a response to the above call for information. Gender shapes how spending decisions affect people. It's crucial that budgets are developed with this in mind to ensure that no group is disadvantaged as a result of their gender and that spending plans deliver fairly for everyone.

Key messages:

1. The continued commitment of the Welsh Government (WG) to assess the impact of their budget on those with protected characteristics is welcome and should be further strengthened .
2. The Strategic Integrated Impact Assessment should be improved to include a more comprehensive assessment of impact from a gender perspective to aid more effective scrutiny.
3. Steps should be taken to ensure that the impact assessment process is not negatively affected by tight timescales resulting from the timing of the UK Government's Autumn Statement.

In our detailed response below we have provided answers to relevant questions set out in the terms of reference.

Detailed response

1. What expectations do you have of the 2017-18 draft budget proposals

- 1.1. A number of the pledges for the first 100 days of government will need to be included in budget proposals including increasing free childcare to 30 hours

per week for 3 and 4 years olds and delivering 100,000 all-age apprenticeships.

- 1.2. The detail on how additional childcare provision will be delivered is yet to be announced but it is crucial that sufficient funds are provided to local authorities to enable them to deliver the elements they may have responsibility for.
- 1.3. Childcare is a sector where pay tends to be low. Women's dominance in this, and others like it, contributes to the gender pay gap which is one of the national indicators for measuring progress towards the goals set out in the Well-being of Future Generations (Wales) Act (WFG). The budget proposals must ensure that sufficient funds are allocated so that local authorities can commission providers who pay a decent wage and offer good working conditions. Without this there is a risk that the principles of the WFG Act could be undermined.
- 1.4. 100,000 new apprenticeships will likely see significant investment and it's important that this delivers benefits to both men and women. While take-up of apprenticeships is generally gender balanced, analysis of the sectors in which men and women are more likely to undertake apprenticeships shows significant differences.
- 1.5. If the drive is towards higher level apprenticeships in sectors prioritised for growth, such as manufacturing, this spend must be accompanied by action to widen participation to a more diverse group of people.

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

2.1. Approach to preventative spend and how this is represented in resource allocation

- 2.1.1. In the last WG draft budget narrative it was stated that the government were working with the third sector to develop a common definition of preventative spend. We would expect this definition to be included in the forthcoming draft budget narrative to ensure clarity about what is being considered preventative spend.
- 2.1.2. As with all other aspects of the budget preventative spending plans should be subject to gender analysis. Failure to include gender considerations in the scrutiny of preventative spending will result in women being subjected to more negative outcomes.¹ An example used to demonstrate this by the Scottish Women's Convention is investment in early years to improve outcomes for children. They argue that as women's well-being and economic conditions are critical to the welfare of children, failure to consider how investment in early years should also

¹ Scottish Women's Convention submission to Finance Committee Draft Budget 2012-13

address pay and working conditions in this sector, where women dominate, could actually undermine the wider aims of the investment.² Similar analysis can be applied to the Welsh Government's investment in social services.

- 2.1.3. Preventative spending is most effective when based on evidence about the user or community of people who will benefit from the policy.³ This highlights the need for robust, gender disaggregated data to ensure that preventative spending plans will deliver fairly for people of all genders.
- 2.1.4. Women continue to face economic disadvantage as a result of their position in the home and labour market. Women's economic participation rates still lag behind that of men and the gender pay gap is, in part, a product of the occupational segregation still evident in our labour market.
- 2.1.5. As a result of this disadvantage women face different risks of falling into poverty and a greater likelihood of experiencing pensioner poverty and Wales' economic growth and sustainability is hindered.
- 2.1.6. We believe there is scope to consider how preventative spending could be directed to address factors that lead to this economic disadvantage. One example is early intervention to address gender stereotypes, which shape the career choices of young people, through the provision of gender inclusive education and careers advice.
- 2.1.7. This could help to ensure that women play a more active role in the Welsh economy, help tackle poverty in the long-term, drive economic growth and deliver on a number of the well-being goals set out by the Well-being of Future Generations (Wales) Act. .

2.2. Welsh Government policies to reduce poverty, mitigate welfare reform and prepare for an aging population

- 2.2.1. While tackling poverty is still regarded as the responsibility of all members of the cabinet, a notable change from the previous government is the decision to not have a cabinet member responsible for driving this agenda.
- 2.2.2. In this context, we feel there is an even more important role for Assembly Committees, including the Finance Committee, to scrutinise activity aimed at tackling poverty and ensure it is delivering for all members of Welsh society.
- 2.2.3. A gender analysis of the budget would ensure that spend on tackling poverty programmes is likely to address the causes of poverty for all genders.
- 2.2.4. Investment in social care is seen as important preparation for an aging population. The social care sector is characterised by low wages and insecure employment and the workforce is predominantly female. As with

² Ibid

³ EHRC Scotland response to *Finance Committee Inquiry into Preventative Spending* 2010

investment in childcare, it's important to ensure that funding provided to local authorities for the provision of social care is sufficient to support a commissioning process that looks beyond the cheapest option and considers the working conditions and pay of those delivering the service.

2.3. Preparation for the UK to leave the EU

- 2.3.1. Details and timescales for the UK's exit from Europe remain vague but it is assumed that Wales will face a significant shortfall in funds as a result of the loss of structural funding. This funding has supported important programmes, such as our own Agile Nation and Agile Nation 2 projects, that align with Wales' economic priorities and deliver on a variety of the well-being goals.
- 2.3.2. With a likely exit from Europe on the horizon we would urge the Welsh Government and National Assembly to consider how work currently funded by EU funds can be continued post-Brexit. This could be through alternative funding streams or by mainstreaming the approaches used into Welsh Government activity.

2.4. Scrutiny of equalities and sustainability

- 2.4.1. The WG budget continues to be impact assessed through the Strategic Integrated Impact Assessment (SIIA). The move from a basic equality impact assessment aimed to prepare for the Well-being of Future Generations (Wales) Act to include an assessment of wider well-being as well as any impact on those with protected characteristics.
- 2.4.2. An unintended consequence of this move has been a less comprehensive analysis of the gender implications of the draft budget in the SIIA document. While more detailed figures may sit behind the SIIA, to have limited analysis in the document itself risks limiting the ability of the Assembly and other stakeholders to effectively scrutinise the budget proposals from a gender perspective.
- 2.4.3. Last years' SIIA was particularly limited as a result of the late Autumn Statement by the UK Government. While we understand that timescales are incredibly tight it's important that this doesn't negatively affect the impact assessment process.
- 2.4.4. We believe that a full gender analysis of the draft budget would enable more gender sensitive spending decisions to be made and support government departments to better consider how their own spending plans can deliver fairly for people of different genders.
- 2.4.5. In the long-term we support the use of gender responsive budgeting (GRB) tools by all government departments. GRB is "a process for analysing public expenditure and tax revenue with a view to deciding their part in promoting gender equality".⁴ It involves asking key questions

⁴ WENWales *Women's Equality Now: Gender Responsive Budgeting* 2016

such as: Who benefits from state expenditure and how is the spending distributed between men and women? Is the spending meeting both women's and men's needs? and What impact are budget decisions having on work, be it full-time, part-time, paid or unpaid?⁵

- 2.4.6. Adopting this approach would help to deliver a gender sensitive budget, highlight any gaps between policy commitments and the resources allocated to achieve them and ultimately help the Welsh Government to deliver the more equal, prosperous and resilient nation they aspire to.

3. The previous Welsh Government have highlighted that the Draft budget 2017-18 will be aligned with the national indicators for Wales.

3.1. What, if any additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on preventative spending?

- 3.1.1. As outlined above, women continue to face economic disadvantage as a result of their position in the home and labour market. As a result of this disadvantage women's risk of poverty is different, their lifelong earning potential is limited leaving them at higher risk of experiencing poverty as a pensioner and Wales' potential for economic growth and sustainability is limited.
- 3.1.2. There is a case to be made for directing preventative spending towards addressing the root causes of this disadvantage. The example we have suggested is by delivering gender inclusive education and careers advice.
- 3.1.3. If this approach were to be adopted, additional indicators that would help to measure progress would include economic participation rates of men and women, maternal employment rates, the proportion of female led businesses in the Welsh economy and occupational segregation in key growth sectors.

4. What spending commitments and priorities would you like to see in the 2017-18 draft budget in order to ensure that progress is being made on reducing poverty and preparing for an ageing population?

- 4.1. As outlined above, we would like to see a gendered approach taken to tackling poverty. This should include actions to deliver affordable childcare, to improve public transport and ensure it's affordable, provide support for part-time study and training opportunities for women returners and demonstrate an awareness of the need for social care to be adequately funded so as to deliver quality, well paid employment for a workforce that is currently largely female.

⁵ Ibid

5. What changes to allocations and priorities do you feel need to be reflected in the draft budget 2017-18 and subsequent years as a result of the vote to leave the EU?

5.1. A sizeable chunk of the skills budget in Wales comes from EU funds. As Brexit moves closer we would expect to see steps taken to address the likely shortfall that will be left. Crucially, these changes should consider what can be done to ensure that women do not end up disadvantaged by the loss of training opportunities currently provided through projects such as Agile Nation 2.

We would be happy to discuss any of the above in more detail. Please contact:

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