



## **Response to the National Assembly for Wales Finance Committee's Inquiry into Best Practice budget processes**

**Respondent's name:** Ele Hicks

**Respondent's Role:** Social Policy Officer

**Organisation:** Diverse Cymru

### **Contact details**

Email: [Ele@diversecymru.org.uk](mailto:Ele@diversecymru.org.uk)

Phone: 029 20 368888

Address: 3<sup>rd</sup> Floor

Alexandra House

307-315 Cowbridge Road East

Cardiff

CF5 1JD

### **Organisation Background**

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Diverse Cymru is an innovative relatively new organisation in the Welsh Third Sector, created in recognition of the realities faced by people experiencing inequality in Wales.

Diverse Cymru promotes equality for all. We believe that we can work together to challenge discrimination in all its forms and create an equitable future for the people of Wales.

Diverse Cymru aims to make a real difference to people's lives through delivering services that reduce inequality and increase independence; supporting people to speak for themselves and to connect with decision makers; creating opportunities for participation and development; raising awareness of equality issues; and inspiring people to take action against inequality.

Our current services include direct payment, self directed and independent living support for both adults and children, including managed banking and software framework development in Cardiff; a BME mental health befriending service in Cardiff and the Vale of Glamorgan; Health and Social Care Advocacy for BME people with mental health issues throughout Wales; family support, welfare benefit, income maximisation, tribunal, and general advocacy for people in Cardiff and the Vale of Glamorgan.

We produce information resources on a wide-range of equality issues, including for people affected by inequality across all protected characteristic groups and information for organisations and service providers; provide a conduit for service user voices to decision-makers throughout Wales through our

consultation and engagement work; run citizen involvement projects for people from protected characteristic groups and for carers; and co-ordinate volunteer placements both with Diverse Cymru and supporting external organisations to recruit, involve and support volunteers from under-represented groups.

We provide consultancy services on integrating equality in organisations, diversity champions, and equality impact assessments and deliver a range of training courses on a wide-range of equality related topics, including the only accredited Personal Assistant training in Wales; accredited Challenging Extremism and Hate Crime Awareness training, and training on BME mental health; Equality legislation; disability; stress; LGBT issues and more. We facilitate forums and groups that work on various issues, from improving disability access and carrying out disability access observations to equality impact assessments.

This submission focuses specifically impacts on people from protected characteristic (equality) groups. We would be delighted to assist with the development of specific work programmes, and to be involved in budgetary processes and developments affecting equality in future. We would be happy to present further evidence and views to the committee if this would be of use. We are happy for our response to this inquiry to be published.

### **Submission**

1. With regard to equality impacts of budget processes and financial accountability there is a wealth of evidence that suggests that often small and individually justifiable negative impacts on one or more protected characteristic group can amount to significant disadvantage when viewed in conjunction with other changes across a whole system.
2. A clear example of this is welfare reform, where individually the amendments to Housing Benefit, Disability Living Allowance/Personal Independence Payments, Council Tax Reduction Schemes, Employment and Support Allowance, and Universal Credit have minor negative impacts on some groups, such as disabled people in particular. One source of evidence for the disproportionate impacts of welfare reform on certain groups is the Welsh Government commissioned research into the impact of the UK Government's welfare reforms in Wales, where stage 3 part 1 focused on the impacts on Protected Characteristic groups (<http://wales.gov.uk/topics/people-and-communities/welfare-reform-in-wales/publications/analysingreforms/?lang=en>)
3. The need to conduct comprehensive Equality Impact Assessments, which consider the compound impacts of various budgetary and financial decisions on each protected characteristic group, is clear from such cases.
4. The National Assembly for Wales is unique within the UK in having a commitment to advancing equality embedded in its founding legislation and principles. Further active commitment to equalities in Wales has been shown through adopting more stringent and appropriate specific Regulations for Wales under the Equality Act 2010.
5. Significant improvements have been made in recent years, which must be commended, including a strategic approach to conducting Equality Impact Assessments on Welsh Government budgets

and forming the Budget Advisory Group on Equality (BAGE)

6. As we enter a new era of financial powers and responsibilities devolved to Wales, it is vital that these processes and considerations, which support core aims of reducing poverty, tackling social injustice, reducing educational attainment gaps, reducing pay and employment gaps, and promoting fair life chances for people from all protected characteristics groups, are strengthened and not overlooked in favour of International Financial Standards.
7. We believe that Equality Impact Assessments, involving citizens in assessing the impacts of financial changes, and addressing negative impacts on protected characteristic groups as well as enhancing measures to close the gaps between protected characteristic groups and the wider citizens of Wales is compatible with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as well as other financial good practice, in that transparency and accountability can be enhanced, whilst also ensuring that policy objectives are achieved and that no group is inadvertently further disadvantaged by financial and budgetary decisions.
8. We therefore recommend:
  - 8.1. That Equality Impact Assessments become an integral part of budgetary and financial processes for all new and existing powers and processes.
  - 8.2. That Equality Impact Assessments taken into account previous and other current financial and budgetary decisions and impacts to assess the compound impacts of financial and budgetary decisions, policies and practices on each protected characteristic group.
  - 8.3. That mitigating action be considered and undertaken with regard to negative and differential impacts on particular groups before decisions are implemented.
  - 8.4. That citizens and representative organisations from each protected characteristic group and sub-group, and representing cross-characteristic groups are involved in assessing impacts from the initial point of discussing ideas, before decisions are implemented and throughout the evaluation and monitoring process.
  - 8.5. That information is provided in plain language, with financial and accountancy terms explained, to enable Welsh citizens to understand the potential impact on their own lives and to be able to feed these into processes.
  - 8.6. That the Budget Advisory Group on Equality be strengthened to reflect the potential for increased impact on protected characteristic groups of enhanced powers for Wales. This should include improving representation for each protected characteristic group and sub-group and ensuring that the issues encountered by those people with more than one protected characteristic are represented by both specialist organisations and general equality organisations.