

Jocelyn Davies AM
Finance Committee
National Assembly for Wales
Cardiff Bay
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September 16 2014

Dear Chair,

Scrutiny of the Welsh Government's 2015-16 Draft Budget Proposals

We welcome the opportunity to provide advice to inform the Committee's scrutiny of the Welsh Government's 2015-16 Draft Budget Proposals. We would like to draw three reports to the Committee's attention, all related to the consideration of equality and human rights during budget-setting.

In November 2012, we published GVA's ['Appreciative Inquiry Report: Welsh Government's Approach to Assessing Equality Impacts of its Budget'](#). This report was commissioned by the Equality and Human Rights Commission in collaboration with the Welsh Government. The report's findings confirm the Welsh Government's commitment to improving the equality assessment of its budget. The report recommended some areas for improvement, which required solutions to be developed by the Welsh Government. This report was referred to by the Welsh Government in its budget EIA statement last year, in which it accepted fully, or in part, all of the report's findings. The Committee may want to consider to what degree the Government is continuing to develop its approach to assessing the equality impacts of its Budget.

The Committee will also want to be aware of a [recent report by the National Institute of Economic and Social Research \(NIESR\) and Landman Economics](#) (commissioned by the EHRC) which shows the progress that has been made in developing a model of the cumulative impact of Government spending and fiscal decisions on particular groups.

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The report finds that assessing the impact of changes to tax and welfare measures is more advanced and clear-cut than modelling changes to wider public spending measures.

The report primarily relates to the Commission's work with the UK Government, but there are points that will support the Committee's scrutiny of the Welsh Government's budget. In particular, the Committee may find the key findings and recommendations on pages 4 to 6 of [the executive summary](#) helpful. These include recommendations that the HM Treasury (and, therefore, relevant to other organisations too) should:

- issue guidance to Departments on data collection and analysis;
- identify in which areas quantitative analysis of equality impacts is likely to be feasible and informative, focusing on key service areas (health, education, etc); and
- publish a detailed explanatory and methodological note to guide interpretation of distributional impact analysis.

Finally, the Committee may find helpful our [Fair Financial Decision-Making 2014 Progress Report](#), which provides an update on our work with the Treasury and other UK Government departments. The report emphasises the value of having common rules to allow easier sharing of equality data. The recommendations (page 5) highlight the importance of the development of a common model of analysis to predict the likely effects of a policy. And the report suggests that there is a single point of government responsible for monitoring and assessing the cumulative impact of future budgets.

I trust this will assist the Committee's work. If you have any queries, please feel free to get in touch.

Yours sincerely,



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