



# 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

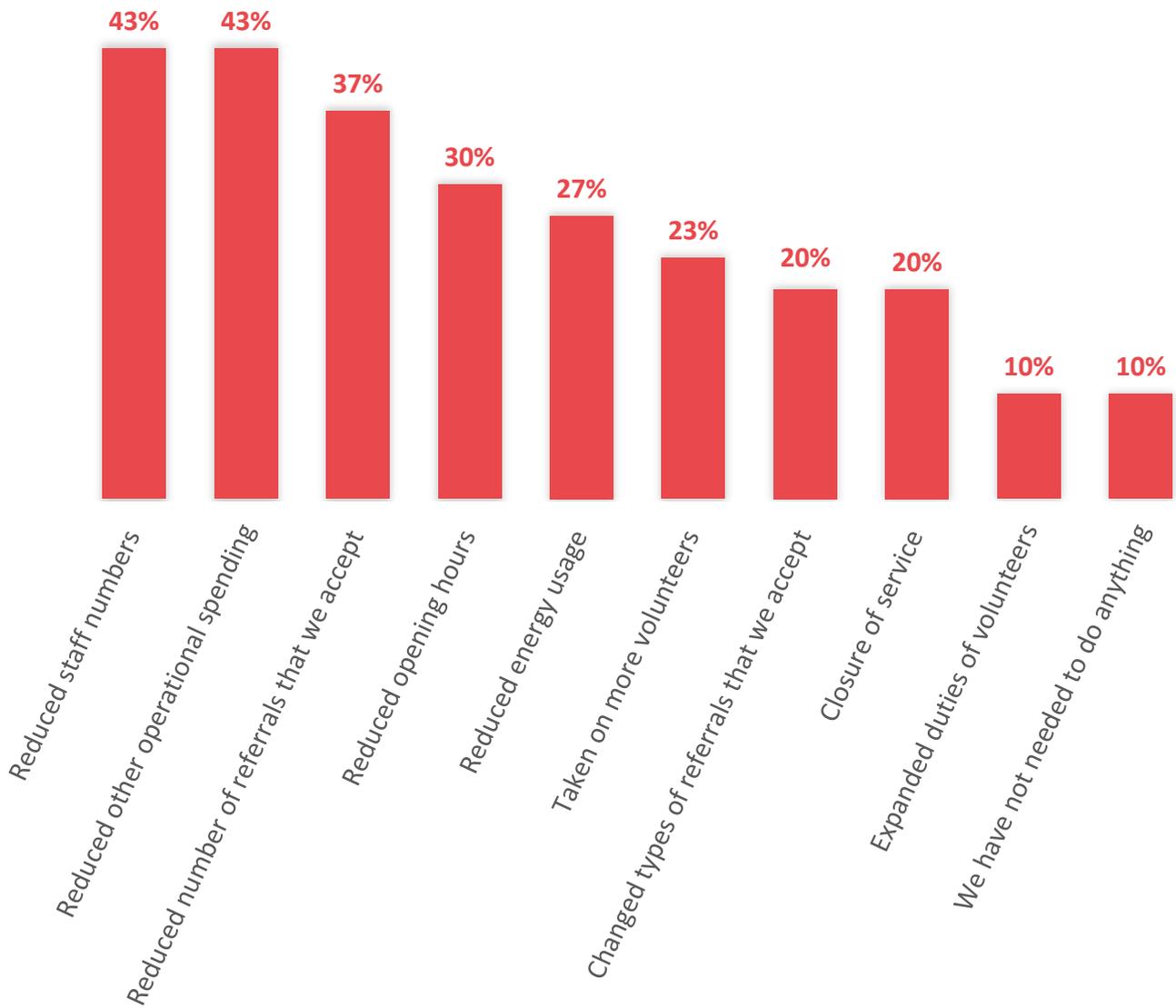
What, in your opinion, has been the impact of the Welsh Government's 2023-2024 Budget, including funding related to the recovery of the pandemic?

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?**

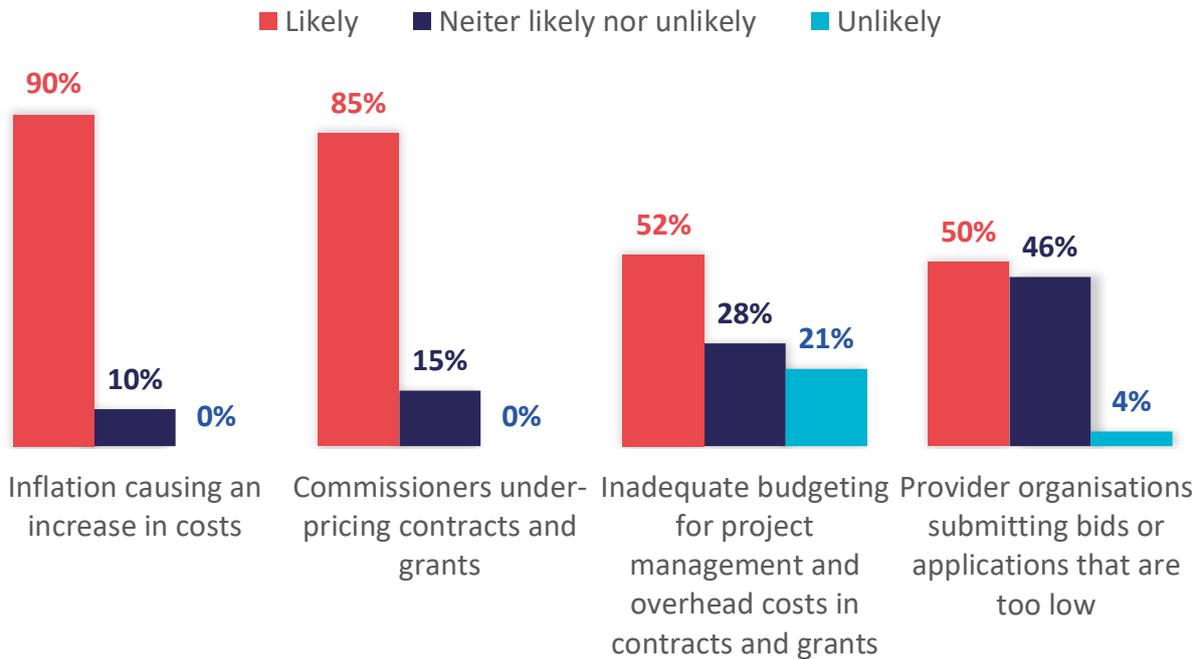
4. Our view is that the current level of support is not sufficient. As inflation remains high and the cost of living crisis deepens, we understand the challenges facing public funders and decision makers, and that difficult decisions will have to be made to balance budgets and minimise negative impacts 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?

7. 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.
8. 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.