

REVIEW OF PROMOTING EQUALITY FUND



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Martin Rolph
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EXECUTIVE SUMMARY

1. The Promoting Equality Fund was created in 2000 with £100,000 pa of new funding. The primary aim in its early years was to develop capacity and structures to enable those who had long been under-represented or suffered discrimination to conduct real dialogue with the Assembly Government on policy issues.
2. Since 2000 a number of developments have taken place which require changes to the way this budget is used. In particular:
 - (i) the budget has grown to nearly £900,000 pa, and while the overall amount which contributes towards the core costs of a limited number of strand focussed independent voluntary organisations has also risen, the percentage such contributions to core costs represent of the whole budget is now below 40%, with nearly all the rest going to support projects led mainly by voluntary organisations, some by public bodies;
 - (ii) the Assembly Government's equality policy at strategic level has developed significantly since 2000.
3. This is the Strategic Equality and Diversity Unit's (SEDU's) only budget (beside that which pays for its own staff). It is therefore potentially usable to support any purpose which is considered to support the achievement of SEDU's aims, as expressed in the SEDU Vision for Equality. The obligation to maximise the value added by the expenditure of this budget requires SEDU to prioritise its application in support of SEDU's priorities in any given time period.
4. Compared with other Assembly Government budgets, the level of information about the fund and its use which have been put into the public domain has been limited.
5. Bearing in mind the above and other considerations described in the report, its conclusion is that changes must be made in coming years. To support consideration of what should be done, a number of options and recommendations are presented.

1. INTRODUCTION

- 1.1 This review was commissioned by the Strategic Equality and Diversity Unit (SEDU). The Terms of Reference are at Annex 1.

Resources and Methodology

- 1.2 The review was undertaken by Martin Rolph, consultant in the Internal Consultancy Service of the Assembly Government. SEDU, as the sole client for his services on this commission, covered the cost of his time and travelling expenses on this task.
- 1.3 Evidence gathering was through discussions, identification and consideration of documents. The material obtained was analysed and this report drafted. Regular and frequent discussions on progress took place with the Head of SEDU.
- 1.4 A list of those with whom discussions took place is at Annex 2.
- 1.5 I wish to thank all those who took part for sharing information and views with me.

2. HISTORY OF THE PROMOTING EQUALITY FUND (PEF)

- 2.1 The budget for 2000-2001 contained a new £100,000 pa for:
- a. development of equality aspects in the curriculum;
 - b. action to implement the MacPherson report recommendations on prevention of racism in education and;
 - c. promotion of women's interests, especially ethnic minority women.
- 2.2 In considering how to administer these funds it was intended that the following were borne in mind:
- a. a need to be (and be seen to be) equitable and open, with decisions based on fair assessments;
 - b. a balance between "mainstreaming" equality into funding programmes and ring fencing specific funds to promote equality; and
 - c. the need to make sure that the GB bodies responsible for discrimination issues continue to play their part, rather than the Assembly replacing their efforts.

2000-2001

- 2.3 The main activities supported by the PEF in its first year were:
1. Independent Consultant to produce guidance on building equality of opportunity into all curriculum subjects together with practical support measures.
 2. Practical pilot work with individual schools and local communities/local authorities in support of other MacPherson recommendations with regard to prevention and education.
 3. Develop capacity of women's and minority ethnic women's network, black and ethnic minority and disability networks to enter policy dialogue with the Assembly.
- 2.4 In addition, the PEF was used for Human Rights Act materials and events and for other requirements arising in-year, for example, for conferences or other materials. The education and MacPherson related activities fed into the work of the sub-group of the National Assembly's Equality of Opportunities Committee.
- 2.5 The network capacity building was relevant to the broader MacPherson findings, but also related to the medium term: the development of capacity and structures to enable those who had long been under-represented or suffered discrimination to conduct a real dialogue with the Assembly Government on policy issues. In succeeding years this was to become the single most important use of the PEF. In 2000-2001 it commenced with an allocation of £50,000 to support all the networks (ie item 3 in paragraph 2.4).

Subsequent Years' PEF Allocations

- 2.6 In the years following 2000-2001, the PEF appears (from reading the files of the time) to have operated on a relatively ad hoc year by year basis. The general pattern would seem to have been that a fairly limited range of bodies would be aware of the possibility of funding and submit bids or requests. There was no systematic and

transparent promotion of the availability of this funding, or of the overall principles governing decisions about its use.

- 2.7 Detailed processes applied to the administration of each individual PEF grant, so as to ensure regularity and propriety in the use of public funds. The process normally involved exchanges between SEDU and the potential recipient body. Ministerial approval was then sought for grant offers to be made, either in an initial annual list of various bodies (where the use of each grant would be explained but no unifying theme(s)), or in a supplementary submission to the Minister during the year, often just in relation to one grant.
- 2.8 Following Ministerial approval to a grant offer being made, a formal offer letter of grant was made. The contents of offer letters included conditions under which the grant was being offered, the purpose of the grant, and the requirements on the recipient to report activities undertaken.

Allocation of the budget in 2006-07

- 2.9 The overall PEF budget in 2006-07 was allocated as follows:-

Contributions towards core funding*	£
All Wales Ethnic Minorities Association (AWEMA)	102,500
Welsh Women's National Commission (WWNC)	78,375
Stonewall Cymru	84,458
Minority Ethnic Women's Network Cymru (MEWN)	50,000
Project Funding	£
CRE Croeso	100,000
Disability/Gender Duties	70,000
Equal Pay	70,000
Youth Forum**	60,000
BSL	57,000
Women's Workshop	53,120
Disability Wales (second year of 3)	50,000
Equality Research Secondee	40,000
Cross Strand Modelling Project	40,000
DRC Public Sector Duty Officer	18,000
LG Forum (delivered by THT)	17,000
Saheli	17,000
International Women's Day	15,000
National Federation of Women's Institutes	10,000
Butetown History and Arts Centre	10,000
Mardi Gras	5,000
Accessible Venues	5,000
TOTAL	934,000

* Mainly 3 year agreements, but some successive one year agreements for provision of core services

**£60k received from Home Office Connecting Communities Fund

*** Total does not include £50,000 received from Department for Communities and Local Government

Allocation of Promoting Equality Fund budget in 2007-2008 (as at September 2007)

2.10 The 2006-07 budget was the largest to date, and in 2007-08 the overall size of the budget remained at a broadly similar level, as follows:

Contributions towards core costs	£
AWEMA	102,500
Stonewall Cymru	78,797
Wales Women's National Coalition (WWNC)	78,797
Mewn Cymru	50,000
Cardiff Women's Workshop	30,868
 Project Funding	
Single Equality Scheme (SES)	133,000
Minority Ethnic Youth Forum(MEYF)*	120,000
Commission for Race Equality (CRE)(Croeso Project)	105,000
European Year of Equal Opportunities(EYEO)**	100,000
Disability Wales (final year of 3)	50,000
Accessible Venues Programme (AVP)	25,000
Business Case for Equality Training	20,000
International Women's Day (IWD)	15,000
Equal Pay	13,288
DRC Public Duty Officer	10,000
British Sign Language (BSL)	9,815
Mardi Gras	5,000
African Communities Centre (ACC)	5,000
Pakistan Association Newport & Gwent	2,000
 Total	 945,065

*Includes £60,000 from Home Office Community Cohesion Fund

** Includes £50,000 match funding from DCLG

***PEF Budget allocated to SEDU for 07/08 is £874,000. £984,000 with addition of £60,000 from the Home Office (MEYF) and £50,000 from DCLG (EYEO)

3. MAJOR EQUALITY (AND RELATED) ISSUES

Mainstreaming

- 3.1 The Assembly Government's key direction of travel in relation to equality and diversity is its "Mainstreaming Equality Strategy". This was developed in response to a recommendation in a report from the National Assembly's Equality of Opportunity Committee, published in late 2004, "Mainstreaming Equality in the work of the National Assembly" which recommended that the Assembly Government develop a mainstreaming equality strategy.

The definition of mainstreaming adopted by the Welsh Assembly Government.

As defined by the Equality of Opportunity Committee, ie that " "Mainstreaming" equality is about the integration of respect for diversity and equality of opportunity principles, strategies and practices into the everyday work of the Assembly and other public bodies. It means that equality issues should be included from the outset as an integral part of the policy-making and service delivery process and the achievement of equality should inform all aspects of the work of every individual within an organisation." This also implies the need to consider all equality dimensions, irrespective of whether legislative requirements do or do not apply.

- 3.2 Mainstreaming is therefore not an end in itself but a process, to lead to a better understanding of the diverse needs of the people of Wales. In response to the Equality of Opportunities Committee's recommendations and in support of the Assembly Government's Mainstreaming Equality Strategy, a range of actions were taken, including:
- a. An Equality Audit - to provide baseline information for equality strategy.
 - b. Equality Champions - to cover all aspects of the Assembly Government's work.
 - c. A programme of equality training and awareness seminars available to all staff
- 3.3 The Assembly Government complies with its statutory obligation to present an Annual Report on Equality to the Equality of Opportunity Committee, which is then debated in Plenary. The seventh (2005-06) report recognised that while the Assembly made every effort to improve, there was some way to go to ensuring a truly outcome focussed approach by the Assembly Government.
- 3.4 The eighth (2006-07) report was able to report significant progress in areas such as those listed in the previous paragraph, including the launch of an Equalities Evidence Base Review and the development of impact assessment tools, which will contribute to supporting Assembly Government Departments and their partners assess the impact policies and programmes are having on outcomes

The Equality Duties of the Welsh Assembly Government

- 3.5 The Welsh Assembly Government has one of the most explicit set of duties in relation to equality of opportunity, as now expressed in the Government of Wales Act 2006. This Act continues the duty to promote equality of opportunity.

Section 77 Government of Wales Act 2006

1. The Welsh Ministers must make appropriate arrangements with a view to securing that their functions are exercised with due regard to the principle that there should be equality of opportunity for all people.
2. After each financial year the Welsh Ministers must publish a report containing -
 - a. a statement of the arrangements made in pursuance of subsection (1) which had effect during that financial year, and
 - b. an assessment of how effective those arrangements were in promoting equality of opportunity and must lay a copy of the report before the Assembly.

The Wider Equality Legislative Framework

- 3.6 The wider equality context is underpinned by a large and also developing body of other legislation including:
- The Equal Pay Act 1970
 - The Sex Discrimination Act 1975
 - The Race Relations Act 1976
 - The Disability Discrimination Act 1995
 - The Human Rights Act 1998
 - The Race Relations (Amendment) Act 2000
 - The Employment Equality (Sexual Orientation) Regulations 2003
 - The Employment Equality (Religion and Belief) Regulations 2003
 - The Gender Recognition Act 2004
 - The Disability Discrimination Act 2005
 - The Equality Act 2006 (including providing for establishment of the Commission for Equality and Human Rights (CEHR) from October 2007 taking on: the work of the existing 3 equality Commissions; responsibility for equality issues in respect of sexual orientation, religion and belief and age; as well as promoting an understanding of the importance of equality, human rights and good relations.)

The Gender Equality Duty

- 3.7 The Equality Act 2006 amended the Sex Discrimination Act 1975, creating a general gender duty that requires public bodies, when carrying out functions of a public nature, to have due regard to the need to:
- Promote equality of opportunity between men and women; and
 - Eliminate unlawful sex discrimination and harassment.

- 3.8 The UK Government, through the Sex Discrimination (Public Authorities) (Statutory Duties) Order 2006, also introduced specific duties requiring a number of public bodies to develop a Gender Equality Scheme setting out how they will promote equality of opportunity between men and women. Following advice from the Assembly's Equality of Opportunity Committee, the Assembly decided that this order should not apply to only public authority all of whose functions were public functions in relation to Wales, because it was felt that the Order was not strong enough on equal pay.

The Disability Equality Duty

- 3.9 The Disability Discrimination Act 1995 (as amended by the Disability Discrimination Act 2005) is intended to drive forward a culture of positive change across the public sector. The amended Act imposes a general duty on public authorities to have due regard to the need to:

- Promote equality of opportunity between disabled persons and other persons.
- Eliminate discrimination that is unlawful under the Disability Discrimination Act 1995.
- Eliminate harassment of disabled persons that is related to their disabilities.
- Promote positive attitudes towards disabled persons.
- Encourage participation by disabled persons in public life; and
- Take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons.

Major likely Future Legislation

- 3.10 The UK Government had a manifesto commitment to introduce a Single Equality Bill during its current Parliament. The Discrimination Law Review published a consultation document "A Framework for Fairness" on 12 June. The consultation ran until 4 September 2007 and covered proposals for simplifying, modernising and making more effective the framework of discrimination law.

The Assembly Government's overall strategic agenda

- 3.11 The Welsh Assembly Government embeds its commitment to equality of opportunity firmly within its key strategic documents. Wales: A Better Country was the key overall Welsh Assembly Government's strategic document for 2003-07. It identified equality as one of its key principles.

Wales: A Better Country

"We will promote gender equality, good race relations and race equality and tackle discrimination on the grounds of age and disability. We want to see people in public life reflecting the diversity in the population as a whole".

- 3.12 The vision was to create a fairer, more prosperous, healthier and better educated country rooted in a commitment to social justice. Equality of opportunity was central to this agenda, recognising the need to serve the diverse needs of all of the citizens

and communities within Wales, and actively seeking to change the lives of those who suffer disadvantage. To achieve this, Wales: A Better Country focused on themes which included:

- More and better jobs and skills;
- Improving health; and
- Developing strong and safe communities.

3.13 The current overarching document driving Assembly Government strategy for (2007-2011) is the One Wales agreement, which contains a number of commitments relating to equality.

The One Wales Agreement

We aim to foster cohesive, plural and just communities where people, regardless of physical ability, gender, sexual orientation, race, creed or language, can feel valued.

Over the next four years:

- We will work to make a success of the new Single Equality Body in Wales, drawing on the autonomous experience of this approach in Northern Ireland.
- We will, continue and extend collaboration with the Interfaith Forum to promote understanding across cultures and faiths and further develop and disseminate good practice models in Welsh public bodies which acknowledge and celebrate both diversity and commonalities.
- We will explore and implement the All-Wales Strategy of Gypsies and Travellers.
- We will refine and implement the Refugee Inclusion Strategy including the recommendations on the interests of unaccompanied asylum-seeking children.
- We will develop a strategy to reduce hate crime.

Making the Connections

3.14 Making the Connections (MtC) seeks to encourage Public Services in Wales to become more responsive to individuals' and communities' needs. The Making the Connections vision, supported by the recommendations of the Beecham Review, is based on a citizen centred model of governance and service delivery (ie rather than market competition being the major driver). The development of core customer services principles is a key component.

Making the Connections: Equality and Social Justice

Every citizen must have the opportunity to contribute to the social and economic life of Wales. The Welsh Assembly Government is committed to promoting equality of opportunity for all, whatever the race, language, religion, disability, age, gender and sexual orientation.

Social justice means that we have to reach out to those who are hardest to reach and target resources where the need is greatest. Our public services must have the flexibility to respond to the most excluded and vulnerable.

- 3.15 The setting as a goal of one participation by citizens and communities in public services has clear implications for equality of opportunity.

Making the Connections' 4 main principles

- **Citizens at the Centre:** services more responsive to users with people and communities involved in designing the way services are delivered;
- **Equality and Social Justice:** every person to have the opportunity to contribute and we will reach out to those hardest to reach;
- **Working together as the Welsh Public Service:** more co-ordination between providers and sustainable, quality and responsive services; and
- **Value for Money:** making the most of our resources.

Single Equality Action Plan for 2007

- 3.16 The Assembly Government, through SEDU, has produced a Single Equality Action Plan for 2007 which will support the development of an Assembly Government Single Equality Scheme from 2008.

Single Equality Scheme (2008)

- 3.17 Assembly Government Departments have been asked to identify key objectives within their Operational Plans, along with their projected outcomes, across all equality strands. The production of such departmental action plans will help to ensure that equality is included at the outset of the planning process, and encourage thinking across all Assembly Government Departments on how equality can relate to each Department's key objectives; and also increasingly change the perspective from addressing each strand in isolation towards a wider cross strand approach as the direction of travel towards more firmly embedded mainstreaming of equality is pursued by all Departments.
- 3.18 As well as using the material supplied by each Department from their Operational Plans, SEDU is commissioning a programme of activity which will involve engagement events around Wales. The output from this programme will inform both Departments and SEDU as the Single Equality Scheme and Action Plans are developed.

- 3.19 The aim is to obtain views in relation to the six equality strands (race, gender, disability, age, religion and belief, gender identity and sexual orientation), with the Welsh Language also as a key consideration to be woven through the work. There is an explicit requirement in this commission that traditionally “hard to reach/hard to listen to” groups are specifically covered in the engagement processes. Human Rights underpins this whole equality agenda.
- 3.20 The draft Single Equality Scheme will be considered by the Assembly Government’s Cabinet in early 2008 and debated in the Plenary of the National Assembly shortly afterwards.

Equality Audit

- 3.21 The equality audit, a key recommendation of the Mainstreaming Equality Report, was carried out by independent consultants as an important step towards building lasting expertise in Mainstreaming. The audit involved the assessment of approximately fifty Assembly policies and strategies. It addressed all equality strands. Assessors examined the extent to which key policies promoted equality and diversity, and avoided discrimination and adverse impact upon diverse sectors of the public.
- 3.22 The results of the assessment were presented, to each participating department as a guide for mainstreaming equality in their future policy development. Departments have been asked to build recommendations into their forward work programmes. The audit has led to a greater understanding of equality issues within Departments and how these relate to and complement departmental officials’ area of policy expertise.

Impact Assessment

- 3.23 The purpose of impact assessment is to identify (at the **inception** of policy making) how policies can impact differently on individuals and groups, and address how such potential inequalities can be addressed, as a mainstream activity.
- 3.24 The Assembly Government will provide guidance on inclusive policy making methodology to (ie impact assessment) help to drive changes to the way the Welsh Assembly Government conducts its business and develops its strategic policies, by ensuring that mainstreaming equality is a fundamental part of this policy making and implementation process. Policy makers will have an accessible, user friendly, fit for purpose and highly visible tool which has a clear and beneficial relationship with the Assembly Government Policy Integration Tool and other business planning processes. A pilot of the Impact Assessment methodology was conducted with CAF/CASS.
- 3.25 In other parts of public services in Wales, impact assessment tools are also developing. NHS Wales has an impact assessment tool which it is revising, led by the NHS Wales Centre for Equality and Human Rights. In local government, various tools are being developed. The Welsh Local Government Association (WLGA) was launched to promote fair and equal treatment in local government services and employment.

The Evidence Base

- 3.26 The Equality Audit provided a baseline position. Statistical Directorate and the Office of the Chief Social Research Officer (OCSRO) are building on this work by carrying out a review of the equalities evidence base. A researcher has been seconded

to OCSRO to review equalities data and research and identify sources that can be used by WAG to support policy and delivery, and help departments meet their statutory equalities duties. The project is currently dependent on PEF funding to pay for the cost of the secondee, with OCSRO providing professional support and supervision for the secondee, and covering her travel and subsistence costs.

Equalities Evidence Base Review

The project is developing a comprehensive and accessible evidence base on equalities to inform policy development and delivery. Its aims are to:

- Review the availability of baseline data.
- Consult with external and internal stakeholders.
- Carry out detailed analysis of priority equalities issues.
- Identify evidence gaps.
- Develop tools and resources to support departments' use of equalities evidence; and
- Inform the development of performance indicators and other regular monitoring data.

Consultation with external stakeholders is being undertaken to inform the identification of evidence gaps and key inequality areas. Evidence collected during the project lifetime will support WAG in carrying out its statutory duties, and in particular in carrying out impact assessments and developing and monitoring equality action plans.

A strong evidence base will also support policy development and delivery. Departments will have access to a range of data and research sources that can be used to better understand issues, establish baselines and monitor/evaluate policies/programmes.

Communications

- 3.27 The audit demonstrated the need to effectively communicate messages and to ensure that good practice is shared between WAG and its stakeholders throughout Wales. An example of action taken in this area was in the development of the Disability Scheme, where a number of engagement events were held across Wales. These were aimed at both disabled people as well as representatives of disability organisations. They provided an opportunity for key themes and issues to be identified and discussed. Following these events, summary reports of key themes and issues were fed back to policy development departments who, in turn, incorporated the feedback into Disability Equality Action Plans. PEF funding was used for such events.
- 3.28 A similar approach was undertaken for the Gender Scheme.
- 3.29 A communication toolkit has been developed to help effective communication with minority ethnic communities and to assist in reaching communities and individuals of all racial groups. The Welsh Assembly Government is able to present a positive image of diversity in our contacts and publications. For example, it can be used when planning Public Appointment Campaigns to encourage more people from minority ethnic groups to apply for posts. Ministerial Communications Teams can also use the toolkit when planning publicity/public information campaigns.

Communications Toolkit

The Health and Social Justice and Regeneration Ministerial Communications Teams used the communications toolkit in the “Welsh Backs” and “Welcome to Wales” campaigns. The toolkit is being further developed by working with public sector organisations across Wales such as RNIB and Swansea Council. The aim is to enhance the variety and scope of the case studies to share with all public sector organisations. *[The case studies will be posted to the website along with the toolkit in summer 2007 – to be updated].*

Voluntary Sector Issues

- 3.30 While PEF funding can be spent in any sector, to date most PEF funding has been provided to voluntary sector organisations. It is therefore appropriate to consider the Assembly Government’s stance in relation to the voluntary sector as a whole, not least because of Mainstreaming in relation to equality issues.
- 3.31 The Assembly Government’s Code of Practice for Funding the Voluntary Sector was produced in response to the National Assembly’s Voluntary Sector Scheme. The Code made clear that “Independent, not-for-profit voluntary and community organisations have a crucial role [in alleviating poverty, improving the quality of life in Wales, promoting equality and diversity, and involving the socially excluded] which is distinct from both the state and the market ... they are effective vehicles for involving users in the design and delivery of services for those who would otherwise have no voice.”
- 3.32 The code committed itself to making decisions based on principles which include:
- a) acknowledgement of the role the voluntary sector can play in the delivery of strategic [Assembly Government] policy objectives;
 - b) timely decisions on funding;
 - c) 3 year funding commitments, subject to performance, for strategic core funding, with firm year one funding and clear baselines for years two and three;
 - d) provision for payment in advance where appropriate;
 - e) prior discussion and reasonable notice before policy changes or other decisions which would lead to the withdrawal or significant reduction of grants;
 - f) monitoring and evaluation to be as simple as possible consistent with ensuring the proper use of public funds.
- 3.33 I return to the relevance of the Assembly Government’s general policy on its funding of voluntary bodies to this review in Section 4.

Examples of Mainstreaming in practice

- 3.34 It would be realistic to regard the Mainstreaming Equality Strategy as a long-term direction of overall travel. It is not surprising therefore that the distance which different parts of the Assembly Government (and of different parts of the wider public sector and of other sectors) have travelled differs. There are increasing numbers of examples of good practice in a range of departments, in the NHS, in local authorities and elsewhere.
- 3.35 One might expect the Social Justice and Regeneration Department to have a particular interest in equality, given its focus on Social Justice, as the following examples suggest:

Housing Policy and Equality

Housing Directorate funds Tai Pawb (a charity) which implements mainstreaming in a number of ways. Each year it mounts a BME Housing Conference; it supports housing providers to turn their BME housing strategies and plans into reality; hosts Race Equality in Housing Network (REiHN) meetings etc. It is expanding a consultancy service.

Communities First Policy and Equality and Diversity

After a review of support arrangements for Communities First Partnerships, and advice from a consultative group, the Welsh Assembly Government's Communities Directorate has emphasised the central place of Mainstreaming equality and diversity issues within Communities First Partnerships (Guidance Note issued in June 2007).

As a first stage in the process, the Assembly Government wants Partnerships to undertake a self-assessment of what they are currently doing to mainstream equality and diversity issues within their partnership. Partnerships have to complete and return a signed form explaining this as part of the application process.

For 2007/08, each partnership can apply directly to the Assembly Government to undertake work on mainstreaming equality and diversity issues – up to a maximum of £5,000. From 2008/09 an additional (ring fenced) allocation of £5,000 has been added to each Partnership's budget to support the mainstreaming of equality and diversity issues. Partnerships will be expected to show what they have done on these issues as part of the annual reporting process.

3.36 Increasingly in recent years, those concerned with the economic health of Wales have also focused on equality as an issue, as in the case of DEIN.

Equality and Economic Policy - the 2007-2013 EU Structural Funds programmes

Overcoming inequalities between men and women contributes to the overall effectiveness of the Structural Fund programmes. Commitment to equal opportunities is one of the 2 cross-cutting themes within UK Structural Fund programmes. During the period 2000-2006, the integration of cross-cutting themes was held up as an exemplar within Wales at a strategic level. Building on this good practice the Assembly Government (as Managing Authority for 2007-2013 programmes) will prepare activity level guidance, together with best practice case study examples, to help project sponsors as they address equal opportunities within their project plans. A key objective is to provide specialist input at an **early** stage in the process.

Equality themes are viewed as eligible activities for funding support, so any potential negative impacts can be offset or opportunities for integration maximised (eg in a more diverse workforce). This means there is the potential for PEF funding to be used as match funding. Programmes include a range of gender specific output and result indicators, particularly within the European Social Fund programmes.

Structural Funds programmes have been developed in partnership with a wide variety of stakeholders and interested parties, to help ensure that equality issues were firmly on the agenda from the start, and not "bolted on" later. An Equality Adviser has also provided expert input to discussions on the equality indicators proposed for the new programme. In addition to events organised by partners, WEFO has also held consultation events - and each included a workshop

on the integration of gender equality and equal opportunities.

Curriad Calon Cymru

The Curriad Calon Cymru Development Partnership was part funded by the European Social Fund (ESF) to the extent of £?m in the period July 2005 to October 2007 under the Community Initiative EQUAL Programme, which is administered in Wales by WEFO. AWEMA is the lead partner with 15 other core partners (some all Wales, many local, eg Race Equality Councils and 5 wider partners to deliver the work). The funding for core services from the PEF helped AWEMA undertake its role until the partnership was in existence and AWEMA could draw management charges from the EQUAL funded projects.

3.37 Health and Social Care policies have to address the needs of some of the most vulnerable in society. Helping to do this is its partnerships with those

Health and Social Care Policies and Equality

The two overarching strategies which have been the context for the work of HEALTH AND Social Services Department (H&SS) in recent times have been the health strategy “Designed for life” and the social services strategy “Fulfilled lives, supportive communities”. Within H&SS, Older People and Long Term Care Division and Community Primary Care and Health Service Policy Directorate operate grant schemes with the overall objective of supporting the core activities of all Wales voluntary organisations in the social and health care sector in the fields of learning disabilities, mental health, older people, carers and physical/sensory disability.

Guidance notes are issued to advise potential applicants to each of these schemes which make clear the criteria for eligibility. The application form requires applicants to indicate how their organisation would contribute to the achievement of the Assembly Government’s strategic agenda. In assessing applications, considerable weight is attached to the extent to which each application is considered to be likely to contribute to the Assembly’s strategic objectives. Bodies which have been or are in receipt of funding include Learning Disability Wales, Carers Wales Age Concern Cymru MIND Cymru, Disability Wales, Hafal, Mencap Cymru and the National Autistic Society Cumru.

3.38 Education and learning are critical tools in the journey towards a fairer Wales. It is therefore particularly important that DCELLS the lead Department in this area mainstreams equality into its activities from an early stage and throughout all age groups. Here are just two examples

Department for Children, Education, Lifelong Learning and Skills (DCELLS)

DCELLS is currently reviewing the school curriculum in Wales – a process started in 2002. In reaching its findings and recommendations for the future development of the curriculum, the Welsh Assembly Government’s underpinning priorities of sustainable development, social inclusion and equality of opportunity were given significant weight. One of the goals of the review was to develop a curriculum with appropriate learning activities that was: inclusive and provides equality of opportunity; and focused on and met the needs of all learners, including the ‘average’ learner as well as those, for example, with learning difficulties, disabilities, those that are disadvantaged, difficult to motivate, more able and talented, from different racial/cultural groups, and looked after children.

Each subject Order and Framework commences with the text, “Including all learners”. This seeks explicitly to ensure inclusion and accessibility for all pupils.

In 2001, guidance on equal opportunities in the school curriculum in Wales was published. This guidance was developed in partnership with the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission.

Research on barriers to learning which affect some communities

DCELLS funded research resulting in a 2007 report by York Consultants, “Barriers to Learning amongst selected communities” which has highlighted varied social and cultural barriers to learning in 4 selected communities in South East Wales (Somali, Pakistani, Bangladeshi, African-Caribbean with a White control group). Many of the findings and recommendations are of course particularly focused on educational issues, but it is interesting to note that one issue in particular has wider resonance – the limited evidence base in relation to local circumstances, for example the Somali community, whose characteristics the report considers are hidden within the overall broad data classification of the Black African community.

3.39 Other parts of the public sector in Wales also mainstream equality into their work

North Wales Race Equality Network/Keele University’s “Building Inclusive Rural Communities : Developing Effective Engagement for Consultation with Black and Ethnic Minorities in Rural Areas”

This project, funded by the Rural Community Development Programme of the Carnegie Trust and the Big Lottery Fund, seeks to investigate and evaluate consultation techniques used by key public bodies in engaging with BME households who are “hard to reach” or “marginal” in rural areas in North Wales. The research aims to build inclusiveness in rural communities, through an understanding of practices in mainstream public bodies in North Wales and through developing an understanding of the preparedness and capacity of BME households to join dialogue over their health and wellbeing needs.

3.40 I return to the gathering momentum in the direction of travel towards increased mainstreaming in Welsh Assembly Government policy departments, and what it may mean for the future use of PEF, in later parts of this report.

4. OVERALL APPROACH TO ISSUES RELATING TO THE FUTURE USE OF PEF

- 4.1 As with all WAG budgets, the use of a budget is a tool, a lever, to contribute towards achieving desired outcomes. So the main strategic requirement is that the PEF (however large or small) should be used to maximum effect in helping achieve outcomes aligned with the Assembly Government's major overall directions of travel - particularly in the field of equalities, but also more generally.
- 4.2 In considering the best future use of PEF funding, the following existing features of the Strategy landscape should be borne in mind:-
- a) Mainstreaming Equality Strategy.
 - b) The overall Welsh Assembly Government Strategy. For the 2003-2007 Government it was "Wales: a Better Country". From 2007 forwards this will be the strategy being developed to implement the "One Wales" programme.
 - c) Making the Connections.
 - d) Voluntary Sector Policy.
 - e) Transparency and accountability (applied with proportionality) in the use of Assembly funds.
- 4.3 SEDU also has a role in horizon scanning, so prospective issues are also recognised among the potential uses of PEF funding, for example against the background of:
- a. the increasing prominence of Human Rights as an overall context within which Equality and Diversity will probably increasingly fit;
 - b. the move from the almost total strand based approach to equality which existed at the inception of the PEF in 2000, towards a more joined-up approach, as exemplified in the creation of the CEHR.
- 4.4 The terms of reference do not direct me to address the size of PEF (or indeed its continued existence) as an issue. However, I take as a working assumption a continuing fund at broadly current levels. But the main principles of recommendation later in this report would apply whatever the size of the budget, within reason.
- 4.5 The PEF is the **only** "programme" budget for which SEDU is responsible. That is, it is the only SEDU budget which can be spent on goods and services procured from sources **external** to WAG. So its use in any time period should reflect the vision, strategy/ies and priorities which SEDU is pursuing. Thus the overall direction of SEDU is critical to any consideration of options for the future use of the PEF budget.

Overall Direction of Travel of SEDU

- 4.6 SEDU has, in recent months, been developing a statement of the vision for equality
- A world class Wales, where the richness of our culture is celebrated.
 - A modern Wales, with a vibrant economy where every individual's unique contribution is enabled and valued.
 - an inclusive Wales, where freedom, choice, dignity and respect are the cornerstones of the way we live."

- 4.7 The strategic context to the vision is the “One Wales” agreement. The vision underpins the approach SEDU now takes in its work, including recognition that multiple facets of potential disadvantage are reflected in a large number of diverse individuals across Wales – so looking at equality in isolated strands of age, race, disability, gender, faith and religion, gender identity and sexual orientation will not deliver outcomes which satisfy people’s needs.
- 4.8 SEDU’s vision sets the scene for its work with all Assembly Government Departments to create the Single Equality Scheme. This will set out the Assembly Government’s high level commitments for the next 3 years. These will relate to a relatively small number of key outcomes in some of the thematic fields identified in One Wales. To deliver such theme based outcomes, it follows that cross departmental working and monitoring and evaluation of progress will be needed.

Lessons from elsewhere?

- 4.9 How strategic equality matters are approached in Scotland and Northern Ireland may offer some useful points of comparison to inform consideration of the way forward in Wales.

Scotland

- 4.10 The central equality unit within the Scottish Executive has a programme budget of about £16m pa. This is used to support some organisations, eg the Scottish Women’s Convention, and also for projects. The biggest single area is combating violence against women which accounts for roughly half the budget, including about £3million to 40 organisations, a rape crisis conference, Scottish Women’s Aid. £3million goes to local authorities. Other funding is deployed from the unit to support work with refugees in Scotland.
- 4.11 Compared with Wales this means that this central budget is funding a number of activities which, if funded in Wales, are funded by policy departments. There is a decision to be made about what should fall to central units and what to policy departments, and I return to this in sections 5 and 6.

Northern Ireland

- 4.12 In Northern Ireland, central budgets to support equality issues are split between a number of units. The Gender and Sexual Orientation team have a very limited budget of about £25,000 per annum which is used to support events, publications and awareness raising. In addition, in late 2006 it was decided to provide 2 years of funding at £100,000 pa to the newly created Coalition on Sexual Orientation. This was very much with the aim of supporting the creation of community capacity in this area.
- 4.13 The Race Fund.....[to follow after contacts are made]

5. CONSIDERATION OF ISSUES RELEVANT TO THE FUTURE USE OF PEF

- 5.1 The Assembly Government's Mainstreaming Equality Strategy means that every Department of the Welsh Assembly Government (and organisations in public, private and voluntary sector which receive support fit from Assembly Government policies through funding or decisions) should integrate equality considerations from the initial stages of all strategic activities through policy development, implementation, delivery, monitoring, evaluation and review.
- 5.2 From public expenditure of c£14 billion per year (compared to under £1m in PEF), the overwhelming proportion of Assembly Government funding relevant to equality and diversity is therefore integral to activities areas right across the public sector, in two broad ways:
- (i) mainstreaming equality dimensions into policy development and implementation in ways which make it impossible to calculate how much effort and expenditure is being deployed **specifically** in support of equality and diversity objectives. Often there will be no additional cost to integrating equality issues from an early stage, even in notional terms: and
 - (ii) mainstreaming will result (in some cases) in activities and budgets being deployed in identifiable ways in support of equality and diversity (eg the decision that Housing Directorate should fund Tai Pawb, an organisation to help BME households in the housing field). Sometimes specific activities flowing from mainstreaming equality will be more evident in the design (and costs) of data collection and analysis (to inform policy development and monitor implementation) than in additional costs of delivery of a service.
- 5.3 So the overall aim should be to maximise the value added by the use of PEF to address areas which are likely to help significantly in the journey towards embedding the Mainstreaming Equality Strategy **but** which individual policy departments (at present) are unlikely to fund, because: (or fully fund, or fund without some delay)
- (i) they do not fit anywhere else;
 - (ii) they go so wide that no one Department clearly leads;
 - (iii) perhaps (at least at present) an incentive is needed as a lever for Departments to "join up", eg to raise the priorities accorded to, or enhance, planned activity so as to enhance the transferability of experience, tools etc.
- 5.4 In other words, the PEF is a lever to help the Assembly Government and others move further and faster and better along the Mainstreaming direction of travel. What should **never** be the case is that PEF funding is sought and offered because of perceived shortfalls in other departments' budgets or other departments according inappropriately low priority to spending relevant to equality and diversity relating to policies and strategies within their areas.
- 5.5 SEDU's use of the PEF should be (and increasingly in recent years has mostly been) to add value to what Assembly Government policy departments are (or will be) doing.
- 5.6 Beyond this overall consideration, a range of more specific issues open up:

- a. the weight given to strand in considering allocations to be made from the PEF;
- b. core funding/project funding;
- c. multi year versus single year (or event);
- d. partnership funding policy – eg where the PEF might provide less than 100% funding and/or is a source of pump priming;
- e. the balance to be struck between first, proactively identifying areas for investment reflecting SEDU's priorities in any time period; and second, having the capacity to be responsive to promising suggestions/opportunities for the use of some PEF funding; and
- f. the extent to which PEF may be used to support internal WAG projects.

5.7 These issues are considered further and recommendations made on them in section 6.

Two Other Issues worthy of consideration

5.8 Two other issues (linked in some ways to issues already identified above and even to each other) also strike me as worthy of some consideration. Below I consider:

- a) No explicit PEF reference in the draft Ambit presented to the National Assembly.
- b) The opportunity costs of PEF decisions.

No explicit reference to the PEF in the draft Ambit presented to the National Assembly

5.9 Transparency of the PEF is an important issue which is considered elsewhere and at greater length in this report. One detailed aspect is the wording of the ambit within which this expenditure is approved by the National Assembly. For 2007-08, the Ambit put to the Assembly within which the PEF sits was:

Ambits for expenditure incurred by the Welsh Assembly Government (excluding accruing resources)	
Column 1 <i>Services and purposes</i>	Column 2
Other Ministerial Services	Amount £000
For use by the Welsh Assembly Government including promoting economic, social or environmental wellbeing; spatial planning; support for the Public Appointments Unit; statistical research; the E-Coli Inquiry; grants to public sector bodies for achieving efficiency gains; funding Value Wales and Public Service Management Wales; and payments to support overseas development and links; grants and financial support to other public sector organisations and any related expenditure and non cash resource use.	7,427

- 5.10 It can be seen that Equality was not explicitly mentioned in this ambit, whereas at least 3 items in this same ambit which had **smaller** budgets were explicitly referred to, ie Taking Forward the Spatial Plan; Public Appointments Unit; and E-Coli Inquiry.

The opportunity costs of PEF decisions.

- 5.11 In principle, opportunity costs (ie lower total value added by the use of a fixed overall budget towards the achievement of desired outcomes than might have been the case) may have arisen from past and current decision making processes applied to use of the PEF. There have been relatively few firm bids for PEF funding which have been declined due purely to lack of funds in the PEF budget. Some of those which were not supported failed to attract PEF funding because of concerns about the sustainability, feasibility or governance of the bid (meaning that even if budget had been available, judgements were taken that a bid did not come up to standards necessary to qualify for funding).
- 5.12 Sometimes (particularly in recent years) initial approaches to SEDU will have been redirected to other parts of WAG in line with the Mainstreaming of Equality Strategy (ie, if an activity which might be a candidate for PEF funding clearly falls within the area of interest of a WAG policy department rather than SEDU, it is for that department to take the lead in considering whether WAG funding is appropriate and, in practical terms, possible).
- 5.13 So the opportunity costs of how PEF has been spent to date in terms of the choices made in the way the budget was used between options **known** to SEDU and its predecessor, the Equality Policy Unit, may be limited in extent. More likely is the probability that the low profile and, until recently, reactive use of the PEF has:
- a) restricted the range of options before SEDU (and before it EPU) for consideration;
 - b) because of the relatively ad hoc nature of each bid being addressed to a major extent in isolation from the consideration of other bids, the opportunity to align use of the PEF with the vision and priorities arising from the Mainstreaming Equality Strategy.
- 5.14 SEDU has been raising the degree to which it is proactive in the use of the PEF for some time now. A comparison of the range of projects supported by the PEF in 2006-07 and 2007-08 reveals this (list of all projects in tables at paragraphs 2.9 and 2.10). For example, the increase in the amount of resource being used to support secondments, research, development and engagement activities is a result of SEDU deciding particular tasks are necessary to the achievement of priorities in its vision (eg work related to achieving a successful launch of WAG's Single Equality Scheme in 2008).
- 5.15 However, there is still some way to go to tackle the two (past and current) main overall obstacles to the minimalisation of opportunity costs in the use of the PEF – the low profile (and even level of transparency) of the PEF; and the alignment of the PEF in a more proactive and explicit way to WAG's strategic equality priorities, in line with the approach of the Mainstreaming Equality Strategy, and the more recently developed Single Equality Scheme and underpinning equality, diversity and human rights strategy. These two obstacles are addressed further in section 6 of this report.

6. OPTIONS FOR THE FUTURE

Issues options need to address

6.1 This section of the report sets out briefly the main contextual issues and then - at greater length - presents options addressing each of a number of issues which the author thinks need to be addressed by those concerned with the future use of the PEF.

The context – forever changing

6.2 The Welsh Assembly Government's routes forward for the use of PEF need to reflect its views on the contextual issues (described earlier in this report) which have implications for outcomes sought such as:-

- the soon to be launched new WAG overarching strategy for 2007-2011 embodying the content of the governing parties' "One Wales" agreement.
- WAG's directions of travel in equality, particularly:
 - Mainstreaming
 - The move away from the strategic approach being essentially single (or even multiple) strand based
- the more clearly expressed definition of SEDU's role which is mainly to provide leadership, support and direction across WAG and beyond the support team and they pursue the mainstreaming agenda in all areas;
- perhaps the increased focus on human rights as the context within which WAG's direction of travel will fit; and
- the creation and development of the CEHR, with which SEDU will play a major role in helping create a productive working relationship between CEHR and WAG, taking account of the statutory responsibilities and powers of both.

Major operational issues

6.3 A number of major issues are relevant to what sort of outcomes are achievable with the use of PEF funding, in particular:

- proactively applying large proportion of funding in support of WAG policy priorities;
- what specific sort of activities should PEF potentially fund and what it should not normally fund;
- the proportions of core funding (if any) versus all other types of funding (eg project funding);
- the timescales for funding, including whether there should be a limit to number of years of core funding;
- capacity for refreshing the type of bodies, projects etc supported.
- the methods for inviting and assessing bids;
- sustainability considerations (eg the expectation that those seeking SEDU funds are or will be seeking other sources of funding – and will reveal information about that to SEDU); and
- transparency issues generally

Relationship of the use of PEF funding to SEDU's priorities

- 6.4 When the PEF was created in 2000 with £100,000 pa of new money, its purposes (as described in section 2) were largely clear. It was very largely, in its first few years, about helping create and strengthen community capacity in relation to a very strand defined approach to equality. Since then, three relevant major developments have taken place:
- (i) the size of the budget has increased several fold;
 - (ii) WAG's approach to equality and diversity has been developing (and will continue to develop). Mainstreaming has been formally adopted as WAG's strategic direction of travel in the field of equalities; and
 - (iii) SEDU has been becoming more proactive in its use of the PEF budget than it and its predecessor (the Equality Policy Unit) were in earlier years.
- 6.5 These developments imply that SEDU's approach to the use of PEF needs to change (and indeed has been changing to some degree). In addition earlier parts of this report suggest that to date the use of the budget has been perhaps too low profile and too ad hoc and (especially in some earlier years) reactive rather than proactive in pursuit of WAG equality strategy. To tackle some of these developments and circumstances, the first step which needs to be taken with the PEF is to develop and publish a clear exposition of what WAG will be seeking to achieve in the coming year with the uncommitted portion of the PEF
- 6.6 **Recommendation 1: Each year SEDU should advise Ministers on how overall policy priorities for the coming year should be reflected in decisions on how to prioritise use of uncommitted PEF budget.** This will allow the consideration (in SEDU's advice on the package of activities to be funded by PEF) of each case for funding to be placed within the context of how far it contributes to the priorities in any particular year

What should SEDU fund (and not fund)?

- 6.7 Bearing in mind earlier descriptions of the Mainstreaming Equality Strategy and what it means, and of SEDU's mission, my first recommendation did not follow consideration of a range of options as I believe it flowed from earlier parts of this report, with little room for alternative options given the context within which the PEF exists.
- 6.8 In similar vein, it is clear to me that PEF should not normally be used to finance any activity which clearly should fall to a policy department in the Assembly Government, or more locally to a NHS, local authority or private sector company. **Recommendation 2: PEF will not normally be available to fund any activity which is clearly within the responsibility of other Assembly Government Departments.** Not to confirm that this is a basic principle of PEF funding (as it already broadly is) would be to undermine the Mainstreaming approach – ie that equality is fundamental business (including funding) for every Department.

6.9 If recommendation 2 is accepted, there is still a very wide range of activities which the PEF can (and to a degree already does) fund (subject to considerations also of propriety and regularity), which I think can be divided, as SEDU do now, into two categories:

- contributions to the **core** costs of third sector all Wales bodies which focus on one or more strands across a variety of themes (so they do not, like say Tai Pawb, clearly fall to one – or even a partnership of 2 or more – policy departments to fund). Here the main outcomes sought would be the creation, continued existence or overall enhancement of community capacity with a view to an increasing quality and perhaps quantity of information and advice being available to the Assembly Government and others which will assist all in the Mainstreaming direction of travel.
- **projects.** Again, if they were funded or part funded by PEF, they would normally be funded on the basis that there was no alternative funder within the Assembly Government. Projects which could be funded might include: research; development and delivery of assessment tools; special celebratory, awareness raising etc events (normally of all Wales significance); networking and exchange of good practice events/conferences; production and distribution of materials and publications etc. Since this is SEDU's only programme budget, I see no reason to impose any restriction on the type of activity funded as a project, subject to the provisos that: its use must be to help SEDU achieve its mission; it must not be camouflaged core costs, and it must not be Assembly Government running costs.

6.10 **Recommendation 3: SEDU should continue to classify its expenditure from the PEF into that supporting core costs and that supporting projects.**

The name of the Promoting Equalities Fund

6.11 PEF is SEDU's **only** programme budget. Some thought that the only use of the PEF was as a source from which SEDU provided grants to organisations, or even only to voluntary organisations. This is and has not been the case, as the tables in section 2 show. For the future, I favour changing the name "Promoting Equalities Fund". The current name sounds very much like a budget which might be wholly used only for responding to bids from voluntary organisations. In theory, I see two options for change: change the name of the PEF; or create two or more budgets where there is currently one.

6.12 I do not favour creating two or more budgets out of a relatively limited budget. It would be bound to reduce the flexibility with which the whole budget could be used. I therefore suggest that the name be changed. **Recommendation 4: As part of any changes to the Promoting Equalities Fund which flow from consideration of this report, the name of this fund should be changed to one which indicates better that it is SEDU's only budget, and can be used in many different ways by different types of recipient (in voluntary, public and private sectors) to support SEDU's work. A name such as "The Strategic Equality Budget" might be more appropriate, as long as it is understood within WAG and beyond that this relatively small budget is for use as a modest lever for change, rather than to fund the costs which may flow from the integration of equality considerations into the development and implementation of policy for mainstream service provision**

Proportions of PEF which should go to core costs and to projects

- 6.13 Widely differing views were expressed about what should happen in the future about funding core costs of some voluntary organisations. The PEF (when it was much smaller) had origins in an overwhelming focus on core funding of a limited number of hand-picked organisations. Without it, for example, it is unlikely that Stonewall Cymru and the Welsh Women's National Coalition would have been able to have come into existence and develop as much as they have.
- 6.14 However, the context has changed markedly since the PEF was created in 2000. Then the Assembly Government's (and many others') equality perspective was almost completely dominated by a strand based approach to equality which was almost silo-like, in terms of the relatively limited amount of cross-strand joint working and learning. In addition, public bodies' actions even more dominated than subsequently by compliance with strand based statutory requirements, rather than the more ambitious agenda (partly reflected in increased statutory responsibilities to achieve improvements) which goes beyond compliance to proactivity.
- 6.15 Since 2000, as the PEF budget has risen from an initial £100,000 of new funding to nearly £900,000 in 2006-07. So let us consider advantages and disadvantages of a the following options:
- (1) continue broadly as now (with c.35%-40% of PEF – about £350,000 - going to core costs of organisations);
 - (2) reduce (say broadly halve?) the proportion going to core costs, over the next 2 or 3 years;
 - (3) cease funding core costs;
 - (4) increase the proportion going to core costs.

Option 1: Continue with broadly current level of PEF going to core costs

6.16 **Advantages** of this approach would include:

- (i) the recipient organisations knowing that they have a certain basic level of funding which can be used as the base from which they can make bids (to SEDU and others) for project funding;
- (ii) the organisation has the potential to use PEF flexibly without as much reference back to SEDU **in advance** (as would be required much more if they wished to use project funding outside the area for which it was provided).

6.17 **Disadvantages** could include:

- (i) less incentive to the recipient body to raise funds from other sources, which means that the body may be too dependent on the WAG with all that will or may mean (eg inevitably more detailed scrutiny of the core work if WAG is predominant or sole funder);
- (ii) danger of less independence from WAG and less connection with other potential funders, eg via membership fees); and
- (iii) the likelihood that it will be harder and slower over any given time period for SEDU to recycle the PEF budget towards supporting its priorities of the year (or years) more substantially.

Option 2: Reduce the proportion of PEF going to core costs by about half

6.18 **Advantages** of this would include:

- (i) significantly increasing the funds available for projects (at current levels of the overall PEF budget by about £150,000 to £200,000 pa) without losing all the advantages of having some core funding (for example, the remaining funding would still support a full or part time post at the core of an organisation);
- (ii) increasing the incentive for organisations in receipt of some core funding to seek project funding elsewhere (where they can include an element for management core costs);
- (iii) increasing the level of independence which goes with a reduction on dependence on SEDU for core funding;
- (iv) and the focus on projects rather than organisations being likely to increase the value of outcomes delivered for a variety of funders (including different policy departments of the WAG) of projects, and probably also including improved fit of the activities funded with the objectives of the funder.

6.19 **Disadvantages** would include the danger of losing valuable activities if bodies were unsuccessful in securing adequate increased project funding from public, private and third sector organisations, and good quality staff could no longer be retained or recruited.

Option 3: Cease funding core costs

6.20 **Advantages** would include realising the advantages set out for option 2 to a greater extent.

6.21 **Disadvantages** would include:

- (i) increased uncertainty over the stability of future funding levels which could lead to key staff leaving after relatively short engagements for more secure employment;
- (ii) loss of a central permanent resource in an organisation available to explore and construct bids for project funding from public and independent sector funding sources; and
- (iii) loss of ability to “pump prime” the emergence of a new organisation for say its initial 2 or 3 years.

Option 4: Increase amount going to core costs in absolute terms (and unless the overall PEF budget was increased significantly, as a proportion of PEF too)

6.22 **Advantages** would include less management time in the body being funded needing to be used in pursuing project funding.

6.23 **Disadvantages** would include:

- (i) increased difficulties in evaluating the value added;
- (ii) reduction in incentive to seek project funding from a wide range of sources, with attendant loss of independence (real or perceived) of the organisation from SEDU.

Conclusion on the core/project split

- 6.24 Given the rise in the overall budget and the development of the WAG policy context within which this funding is granted, I favour reducing the proportion of PEF going to directly to support core costs substantially. **Recommendation 5: Over the next 2-3 years, SEDU should reduce the amount of the PEF going to support core costs of bodies by about 50%.** This would require SEDU to make clear to all current recipients that they are likely to experience a partial or total cut in this form of support over the medium to long term. SEDU would need to discuss its revised expectations of those with reduced budgets.

Attracting attention to PEF funding and transparency generally

- 6.25 PEF has been a relatively low profile funding source since its inauguration. This is understandable to some degree. It was a very limited sum of money (relative to WAG's total budget) and there was at the outset a fairly clear view of which bodies to which it was to be given. However, not only has the budget grown, but the purposes for which it is to be used are not so clear. If recommendations 2 and 3 were accepted, there would still be an enormous range of different ways in which this budget (SEDU's only budget) could be spent, provided its use supported the aims of SEDU.
- 6.26 I found that none of those I met (within WAG as well as beyond) had clear information about the overall size of the PEF, what it was being used for – or could be used for. There is no reference to it in the funding section of the WAG website, for example. This lists a wide range of WAG funding sources, subdivided by subject area.
- 6.27 **Recommendation 6: SEDU should raise the profile of the PEF.** The methods adopted need to strike a balance between having more accessible and clear information in the public domain without raising unrealistic expectations or it becoming merely seen as a pot against which allcomers are invited to bid. This may be helped by the renaming of the PEF. Drafting about it could be added to the WAG website which makes clear that it is not normally available for supporting activities clearly within the remit of a policy department. Another opportunity to raise the profile of PEF in an appropriate way could be within the Community Strategy relating to the Single Equality Strategy.
- 6.28 A particular way in which the profile could be raised in a way which could help potential bidders and SEDU partners could build on recommendation 1 (ie, that overall SEDU priorities for each coming year should “drive” its priorities in the advice it gives Ministers on use of the PEF) by developing a stage prior to that envisaged there as in the following recommendation. **Recommendation 7: SEDU should agree with the Minister (after consultation with policy departments) a short account of what the funding priorities will be in the coming year for PEF. This should then be made available publicly** – so that all those with a potential interest in PEF funding can see what WAG's priorities for its use are in any time period.
- 6.29 Other ways in which the profile of PEF can be modestly raised could include a public consultation exercise (using a variety of means) on the Minister's/SEDU's decisions in response to this report, as further discussed as part of the way forward at the end of this section.

- 6.30 Section 5 explained that there is no explicit reference in the budget ambit for Other Ministerial Services to strategic spending on equalities, ie, the PEF (which represents over 10% of the purposes covered by that ambit). This no longer adequately reflects the significance this budget now assumes. **Recommendation 8: SEDU should pursue with Finance Department, for future budgets, a rewording of the Ambit within which the PEF budget falls which explicitly refers to equality.** The reference should refer to something along the lines of “strategic equality” so as not to undermine the position that it is primarily the other Ambits (ie those within which policy departments’ budgets are contained) which need to cater for expenditure needed in support of activities related to equality and its mainstreaming.

Timescales for funding

- 6.31 Some earlier parts of this section imply a need I see for SEDU to be able to (over a reasonable timescale) alter the balance of what the PEF funds each year – which brings us to the pros and cons of multi-year funding. On the one hand some funding sources (eg the CRE) have favoured 12 month maximum funding, which provides far more flexibility to take new directions in the use of the funding every year. On the other hand, one year funding can be a poor basis for employing staff (especially good quality staff) – and much PEF is spent on staff costs. Where other parts of WAG contribute to core costs of voluntary organisations, they often do so on the basis of 2 or 3 year agreements
- 6.32 **Recommendation 9: SEDU should have the flexibility to support voluntary bodies it funds on a multi year basis (up to 3 years with funding reduction/termination conditions normally applied in cases of under performance, and no presumption of funding beyond 3 years) where it is believed by SEDU to offer better value for money and effectiveness etc in contributing to desired outcomes than one year funding.**

Applications Process

- 6.33 Unlike funding sources in other parts of WAG, there is currently no standard application form available for applicant for PEF. While each application should be judged on its merits, it would be helpful to transparency and good administration if SEDU developed a relatively brief proforma for use by applicants.
- 6.34 **Recommendation 10: PEF should develop a standard application form on proforma, pilot it and publish it on the website**

Rigour in assessment of applications and monitoring and evaluation of funded activities

- 6.35 Recipients of PEF and some in SEDU itself think that the level of rigour in assessing applications and then monitoring and evaluating activities successful in receiving PEF is not always proportionate to the level of risks involved. Rigour in monitoring use of PEF needs to be proportionate to factors such as the size of grant, the percentage it represents of project’s total funding etc.
- 6.36 The need for rigour in assessing the use of core funding is even greater, given that there are far more other sources than WAG for project funding.

Recommendation 11: SEDU should seek to apply the relevant level of rigour, monitoring and evaluation to grants.

- 6.37 A lighter touch with smaller, lower risk etc grants may be appropriate as compared sometimes with more rigour with larger, longer term funding, especially core funding, and in particular the extension of core funding.

Advance notice of possible changes

- 6.38 If the recommendations in this report are largely accepted, especially in relation those which might increase the number and range of bodies and projects which are supported over the next 2-4 years, adequate notice of changes of policy in what the priorities for funding will be in future time periods will be needed, as the corollary of moving increased funding into new areas which support SEDU priorities will be the likelihood that some current recipients will cease, or partially cease, to receive PEF. Such bodies need reasonable notice to adjust.

- 6.39 **Recommendation 12: Proposals for major changes of direction in the use of PEF which are likely to result in significant loss of funding for some bodies (especially in relation to core funding) should be the subject of, if possible, about 12 months' advance information.** This may be helpful even where final decisions have not been taken on any proposed change in the balance of the use of PEF.

Maximising value added by use of PEF supported and relevant non-PEF supported work

- 6.40 If other funders and potential partners (within WAG, the new CEHR, NHS, Local Govt etc) are not aware and clear what the PEF is being used for, and what proposals there might be for its future use, it will be impossible to maximise value added by all funders' resources and avoiding duplication etc.

- 6.41 **Recommendation 13: In increasing the information available about the PEF, SEDU should particularly been in mind the need to exchange information with other funders.**

- 6.42 In addition, outputs from projects funded by PEF will often be of potential value in contributing to desired outcomes in areas not envisaged in the application to PEF or the decision to fund. This also suggests that making more accessible information available to stakeholders about what is done with PEF contributions is needed, although it should be stressed that a significant number of PEF projects are supported with the possibility of transferability of what it learnt or developed in mind.

Conclusion - and the Way Forward

- 6.43 In terms of the overall challenge of making a reality of the [WAG Mainstreaming Equality Strategy and SEDU's vision, changes such as those recommended here will ensure that, going forward, the value added to the speed and quality of WAG's overall mainstreaming journey by the use of the relatively modest lever currently called the PEF will increase.
- 6.44 When SEDU and the Equality Minister have considered this report's contents and formulated their proposals for change, I suggest that they include a number of steps in

the process leading to any changes in the use of the PEF, in order to underline what the use of this source of funding is (and is not) about; to gain wider ownership within WAG of what mainstreaming means in practical terms, including policy development and funding; to seek the input of those outside and within WAG before final decisions are taken; and to increase the openness attaching to the PEF. **Recommendation 14: The Minister should consider consulting his Cabinet colleagues on his proposed courses of action in response to this report (and any other relevant considerations), before including them (possibly with other matters) in a public consultation exercise.** Such an exercise might include means other than just the publication of a paper on the WAG website.

- 6.45 Longer-term, SEDU should review the overall value of what is being achieved with the PEF each year, before finalising its priorities for its use in the upcoming year. Given the context is ever developing, and assuming the PEF (or successor funding source of broadly similar nature) is still in existence, in 4 or 5 years' time, SEDU should commission a further review of it. **Recommendation 15 SEDU should commission a further review of the PEF (or similar successor budget) in 4 or 5 years' time.**

7. List of Recommendations

The recommendations in the report are all contained in Section 6. For ease of reference they are listed here. (Numbers in brackets refer to paragraph number in section 6 where each appears)

1. Each year SEDU should advise Ministers on how overall policy priorities for the coming year should be reflected in decisions on how to prioritise application of uncommitted PEF budget. (6.6)
2. PEF will not normally be available to fund any activity which is clearly within the responsibility of other Assembly Government Departments. (6.8)
3. SEDU should continue to classify its expenditure from the PEF into that supporting core costs and that supporting projects. (6.10)
4. As part of any changes to the Promoting Equalities Fund which flow from consideration of this report, the name of this fund should be changed to one which indicates better that it is SEDU's only budget, and can be used in many different ways by different types of recipient (in voluntary, public and private sectors) to support SEDU's work. A name such as "The Strategic Equality Budget" might be more appropriate, as long as it is understood within WAG and beyond that this relatively small budget is for use as a modest lever for change, rather than to fund the costs which may flow from the integration of equality considerations into the development and implementation of policy for mainstream service provision. (6.12)
5. Over the next 2-3 years, SEDU should reduce the amount of the PEF going to support core costs of bodies by about 50%. (6.24)
6. SEDU should raise the profile of the PEF. The methods adopted need to strike a balance between having more accessible and clear information in the public domain without raising unrealistic expectations or it becoming merely seen as a pot against which allcomers are invited to bid. (6.27)
7. SEDU should agree with the Minister (after consultation with policy departments) a short account of what the funding priorities will be in the coming year for PEF. This should then be made available publicly. (6.28)
8. SEDU should pursue with Finance Department, for future budgets, a rewording of the Ambit within which the PEF budget falls which explicitly refers to equality. (6.30)
9. SEDU should have the flexibility to support voluntary bodies it funds on a multi year basis (up to 3 years with funding reduction/termination conditions normally applied in cases of under performance, and no presumption of funding beyond 3 years) where it is believed by SEDU to offer better value for money and effectiveness etc in contributing to desired outcomes than one year funding. (6.32)
10. PEF should develop a standard application form or proforma, pilot it and publish it on the website. (6.34)
11. SEDU should seek to apply the relevant level of rigour, monitoring and evaluation to grant applications. (6.37)

12. Proposals for major changes of direction in the use of PEF which are likely to result in significant loss of funding for some bodies (especially in relation to core funding) should be the subject of, if possible, about 12 months' advance information. (6.39)

13. In increasing the information available about the PEF, SEDU should particularly bear in mind the need to exchange information with other funders. (6.41)

14. the Minister should consider consulting his Cabinet colleagues on his proposed courses of action in response to this report (and any other relevant considerations), before including them (possibly with other matters) in a public consultation exercise. (6.44)

15. SEDU should commission a further review of the PEF (or similar successor budget) in 4 or 5 years' time. (6.45)

Terms of Reference Review of Welsh Assembly Government Promoting Equality Fund

1. Issue

1.1 To review the Promoting Equalities Fund in the light of the changing context for equality and diversity, and of the experience of its operation and outcomes since its inception in 2000.

2. Background to the PEF

2.1 In 2000, WAG provided £100,000 to support the implementation of the MacPherson Report. The intention was to provide a year's funding to fund specific projects that would either promote equal opportunities as new projects or further develop existing initiatives.

2.2 The initial funding provided for development of equality aspects in the curriculum, action to implement the MacPherson Report recommendations on prevention of racism and education, and the promotion of women's interests, especially minority ethnic women. The transfer of disability policy work to the (then) WAG Equality Policy Unit also brought with it a budget of £55,000 which was not fully committed.

2.3 The aim of what was to become the Promoting Equality Fund was:-

“To develop the capacity of organisations and individuals from groups which have been under represented or which have suffered discrimination to communicate in an organised way with the National Assembly for Wales on policy development and implementation, across the spectrum of the Assembly's functions”.

2.4 As part of the 2000 BPR, the Finance Minister announced that £250,000 would be available in 2001 – 2002 for initiatives to promote equality. This commitment would be continued for a three year period until 2004 and administered by the (then) Equality Policy Unit.

2.5 From 2001, it was decided to continue to develop the networking equality initiatives from the first year of funding in the form of support for Disability Wales, AWEMA, WWNC and the Lesbian, Gay and Bi-Sexual Forum

2.6 The grant now amounts to £0.87m in 2006-07. The Minister for Equality retains responsibility for approving all expenditure from the PEF.

2.7 The fund was originally established and has remained located within the Social Justice and Regeneration portfolio although the responsible Minister is now the Minister for Equalities and administering unit is now located within the Strategy, Equality and Communications Group.

3. Current context

3.1 Section 120 of the Government of Wales Act sets out a unique duty to promote equality of opportunity regardless of race, disability, gender, religion and belief, sexual orientation or age. The aim of the PEF has been to support this duty.

3.2 The Welsh Assembly Government accepted the recommendations in the EO Committee report on mainstreaming equality [2004]. This confirms the WAG approach to equality and diversity should be through mainstreaming, that is, the integration of equality of opportunity principles, strategies and actions into the everyday work of government.

3.3 The European Commission's definition of mainstreaming equality is "not restricting efforts to promote equality to the implementation of specific measures, but mobilising **all** general policies and measures specifically for the purposes of achieving equality". To do this we need to ensure that support by way of tools, training and advice is fully in place for policy makers, and considerable developmental work is under way within the Assembly Government and with partners to ensure this.

3.4 A Mainstreaming Equality Strategy has been approved by Cabinet. This highlights the need to consider all equality dimensions regardless of legislative imperative. The goal is to work towards effective cross strand working, recognising multiple layers of inequalities, rather than looking at single strands. Work is in development to devise systems and structures to support the mainstreaming agenda. The Beecham Review and Making the Connections are the backdrop against which this work must be based.

3.5 It is appropriate, against this background, for a review of the effectiveness of current Welsh Assembly Government support promoting equality to be undertaken, which would also consider options for the best overall way forward in this area, against the background of relevant Assembly Government strategies. A key outcome will be to establish clearer criteria which distinguish the PEF from other grant schemes in related areas. For the future, we want to ensure that information for potential PEF grant applicants is clear and the application and assessment process transparent, with unambiguous advice about scheme objectives and desired outcomes.

4. Methodology

- a) Contact and seek to meet a range of stakeholders both external and internal.
- b) Obtain factual information and views relating to similar activities in England and Scotland.
- c) Obtain and read relevant background documents, including published Welsh Assembly Government strategies relevant to equality & diversity and especially concerning relevant grant schemes.
- d) Consider the content of the discussions held and documents obtained.
- e) Consider options for the future of the PEF, including the status quo, within the context of major Assembly strategies.
- f) Draft a report of the review with recommendations for ways forward with the Assembly funding of PEF.

5. The Output

5.1 The main output will be a report with recommendations to SEDU which will then be the subject of formal advice to Ministers by SEDU.

List of those with whom discussions were held (organisations indicated as at the time the discussion took place)

Chris Myant	Commission for Racial Equality (CRE)
Steve Bennett	CRE
Neil Wooding	CEHR
Jo Davies	Director, NHS Centre for Equality and Human Rights
Pam Luckcock	NHS CEHR
Charlotte Williams	Keele University
Mary Slater	Welsh Women's National Coalition (WWNC)
Hilary Hendy	MEWN
Rhian Davies	Disability Wales
Miranda Evans	Disability Wales
Marcella Maxwell	Chwarae Teg
Paula Walters	Welsh Local Government Association
Aled Edwards	Faith Communities Forum
Kate Bennett	Equal Opportunities Commission
Alison Parken	Stonewall
4 Nations Event (June)	Women's Voice
North Wales Equality Network (July)	Various N Wales local authority and NHS equality staff
Will Bee	Disability Rights Commission
Naz Malik	AWEMA
Maria Cheshire	Age Concern
Rhian Davies	Assistant Children's Commissioner for Wales
Maria Mesa	BVSN
Huw O Jones	Welsh Language Board
Diane Henderson	PPI Manager NE Wales NHS Trust
Celia Gibson	Equalities Officer, Wrexham CBC
Marie Le Bacq	Head of Service, Safeguarding Children, Wrexham CBC
Yvonne Strachan	Scottish Executive
	Northern Ireland Executive
	Northern Ireland Executive
Ron Davies	Valleys Race Equality Council
Mary Holmes	North Wales Race Equality Network
Sian Lloyd Jones	Chief Executive, Finance Wales
Leighton Phillips	Making the Connections Division, WAG
Angela Evans	Chief Social Research Officer, WAG
Denise Puckett	Health & Social Services Dept, WAG
John Carter	H&SS
Colette Eley	Assembly Compliance Office, WAG
Elaine Chamberlain	Strategic Policy, Legislation and Equality Dept, WAG
Andrea Nicholas-Jones	Strategic Equality and Diversity Unit (SEDU), WAG
Huw Owen Davies	DECWL, WAG
Bethan Bateman	DEIN
Deborah Cook	Business Development Department, WAG
Paul Webb	Social Justice & Regeneration (SJ&R), WAG
Kerry Charles	SJ&R
Peter Owen	SJ&R
Amanda Williams	SJ&R

Chris Gittins
Lowri Roberts
Lawrence Stewart

SJ&R
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