

Financial Provision For Children Within The Welsh Assembly Government Budget¹

This statistical article presents information on the proportion of the Welsh Assembly Government's budget spent on children. Children are defined as those aged 0-17 years.

Summary

- In 2006-07, an estimated 28% of the Welsh Assembly Government's expenditure² was allocated to children. This equates to £4.4 billion.
- Based on existing spending plans until 2010-11, the proportion of Assembly budget allocated to children is projected to remain around 28%.
- Expenditure per child rose from £5,600 in 2005-06 to £5,900 in 2006-07 and is projected to rise to £7,100 by 2010-11.

Background

In 2006, work was undertaken to identify the proportion of the Welsh Assembly Government budget spent on children. This was in response to a requirement to understand the resources which are spent on children, in order to inform policy development, and to comply with a responsibility under the United Nations Convention on the Rights of the Child to report on the amount and percentage of national budgets spent on children.

This article provides outturn figures, for 2005-06 and 2006-07, for the proportion of the Assembly Government budget spent on children and presents estimates for the proportion to be spent on children in the period 2007-08 to 2010-11.

Results

Table 1 shows that in 2006-07, an estimated 28% of the Welsh Assembly Government's expenditure was allocated to children. This compares with 29% for 2005-06. This equates to £4.4 billion² in 2006-07 compared with £4.2 billion² in 2005-06. Looking forward, based on existing spending plans the proportion of Assembly budget allocated to children is projected to remain around 28%.

In proportional terms more is spent on the children than the proportion of children in the population. In 2006, children aged 17 or under accounted for around 22% of the Welsh population. However, expenditure for the same age group accounted for around 28% of the budget.

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¹ Notes on the use of statistical articles can be found at the end of this document.

² Includes an amount for Local Authority Self Financed Expenditure (see Table 1)

Table 1: Welsh Assembly Government budgets and local authority self financed expenditure identifiable to children

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Outturn/Budget (£bil)</i>						
Children (0-17 years old)	4.2	4.4	4.7	4.9	5.0	5.2
Adults	10.4	11.1	11.9	12.4	12.8	13.2
Total	14.6	15.5	16.6	17.3	17.8	18.4
<i>Percentages</i>						
Children (0-17 years old)	29	28	28	28	28	28
Adults	71	72	72	72	72	72
Total	100	100	100	100	100	100

Welsh Assembly Government Budgets Identifiable to Children by Ministerial Portfolio

Table 2 shows that with respect to spending by Ministerial portfolio, about 70% (£2.7 million in 2006-07) of all spending on children is accounted for by the Social Justice and Local Government, and the Children Education and Lifelong Learning portfolios. This trend is maintained in future years.

The Social Justice and Local Government portfolio includes the Revenue Support Grant to Local Authorities. This grant is non-hypothecated – that means the Government does not specify how it must be spent and the Local Authority can choose what to spend the money on. It is assumed the proportion of the Revenue Support Grant that benefits children is the same as the overall proportion of Local Authority spending on children.

The figures include Welsh Assembly Government hypothecated funding (that is, funding given for a specific purpose) for local authorities in the relevant Ministerial portfolios, for example, school capital funding is within the portfolio for Children, Education, Lifelong Learning and Skills. Local authority self-financed expenditure (e.g. expenditure financed from local resources such as council tax) is not included.

Table 2: Welsh Assembly Government budgets identifiable to children, by Ministerial Portfolio

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Expenditure on Children (£bil)</i>						
Health and Social Services	0.5	0.6	0.6	0.6	0.6	0.6
Social Justice and Local Government	2.1	2.3	2.4	2.4	2.5	2.6
Environment, Sustainability and Housing	0.1	0.1	0.1	0.2	0.2	0.2
Economy and Transport	0.2	0.2	0.3	0.3	0.3	0.3
Children, Education, Lifelong Learning and Skills	0.4	0.5	0.5	0.6	0.6	0.6
Other	0.1	0.2	0.2	0.2	0.2	0.2
Total	3.6	3.8	4.1	4.2	4.3	4.5
<i>Outturn/Budget (£bil)</i>						
Health and Social Services	4.9	5.2	5.5	5.7	5.9	6.1
Social Justice and Local Government	3.7	4.0	4.2	4.3	4.4	4.5
Environment, Sustainability and Housing	0.6	0.6	0.6	0.7	0.7	0.7
Economy and Transport	1.3	1.3	1.5	1.5	1.6	1.6
Children, Education, Lifelong Learning and Skills	1.6	1.7	1.9	2.0	2.0	2.1
Other	0.6	0.6	0.7	0.7	0.8	0.8
Total	12.6	13.4	14.4	14.9	15.3	15.7
<i>Proportion of budget/spend on children (per cent)</i>						
Health and Social Services	11	11	11	11	11	11
Social Justice and Local Government	57	56	56	56	57	57
Environment, Sustainability and Housing	26	24	23	24	24	24
Economy and Transport	19	17	18	18	18	19
Children, Education, Lifelong Learning and Skills	28	28	28	28	28	27
Other	25	25	25	25	25	25
Total	29	28	28	28	28	28
<i>Proportion of Welsh population aged 17 and under</i>						
	22	22	21	21	21	21

Table 3 shows expenditure per child. Expenditure per child rose from £5,600 in 2005-06 to £5,900 in 2006-07 and is projected to rise to £7,100 by 2010-11. This is largely due to a real increase in planned portfolio spending. However, there is forecast to be a slight fall in the population aged 0-17, from 646,000 in 2005-06 to 626,600 in 2010-11, which contributes to the overall projected increase.

Table 3: Welsh Assembly Government Budgets Spend per Child³

	Outturn		Budgets			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Expenditure on Children (£000)</i>						
Health and Social Services	0.8	0.9	0.9	1.0	1.0	1.0
Social Justice and Local Government	3.2	3.5	3.7	3.8	3.9	4.1
Environment, Sustainability and Housing	0.2	0.2	0.2	0.3	0.3	0.3
Economy and Transport	0.4	0.3	0.4	0.4	0.5	0.5
Children, Education, Lifelong Learning and Skills	0.7	0.7	0.8	0.9	0.9	0.9
Other	0.2	0.3	0.3	0.3	0.3	0.3
Total	5.6	5.9	6.4	6.6	6.9	7.1

Future work

This information has been published as a statistical article because the methodology may be developed further following feedback from users.

It is planned that this work will be repeated for future years, and will form part of the Statistical Directorate forward work programme. Future iterations will also take account of a breakdown of young people, aged 18-25.

³ This does not include Local Authority Self Financed Expenditure.

Annex A:

Notes on methodology

The figures in this article have not been adjusted to take account of inflation.

How Budgets are set:

The budget is allocated according to Assembly Government spending priorities.

Budgets are hierarchical, with the top level being the Main Expenditure Groups (MEGs). These MEGS are broken down to Spending Programme Area (SPAs) and these SPAs broken down into Budget Expenditure Line (BEL). The MEGs which make up total Welsh Assembly Government expenditure are:

- ... Health and Social Services;
- ... Social Justice and Local Government;
- ... Economy and Transport;
- ... Children, Education, Lifelong Learning and Skills;
- ... Environment, Sustainability and Housing;
- ... Rural Affairs;
- ... Heritage;
- ... Public Services and Performance; and
- ... Central Services and Administration.

How provision for children was calculated

Budget Expenditure Lines (BELs) were used to estimate the financial provision for children within the Welsh Assembly budget. Each BEL was considered individually and it was decided who benefitted from that BEL. The proportion of all the Budget Expenditure Lines (BELs) was then allocated in one of three ways:

- ... Directly. Those BELs which are directly aimed at children (aged 0-17) are assumed to benefit children 100 per cent. Hence, the whole of that BEL expenditure is allocated to children. For example, Food and Nutrition in Schools is aimed at Children. Therefore all of the expenditure associated with this BEL is allocated to children. Council Tax Reduction Scheme for Pensioners is aimed at older people. Therefore none of the expenditure associated with this BEL is allocated to children.
- ... Indirectly. Those BELs which are aimed at the population in general, use a population breakdown to ascertain how much of the particular BEL is attributable to children. For example, the BEL relating to Planning Inspectorate - Built and Natural Environment is aimed at the community. Therefore, a proportion of the expenditure associated with this BEL is allocated to children based upon population data.
- ... Using statistical data. Those BELS for which data, with an age breakdown, is available. For example in health, the BEL for Trusts and Central Budgets uses a statistical breakdown to ascertain the proportion spent on children. From statistical data it is known what proportion of patients are children. Therefore, the proportion of the expenditure associated with the BEL for Trusts and Central Budgets is allocated to children based upon these data.

The decision of who benefits from each BEL was agreed with policy areas. A list of BELS, and who benefits, will be published alongside this article².

In addition to receiving the Revenue Support Grant, from the Welsh Assembly Government, local authorities also generate finances from a variety of sources, for example from council tax and investments (known as local authority self-financed expenditure) .

In calculating the figures published in table 2 and table 3, only local authority expenditure from the Revenue Support Grant has been included i.e. local authority self-financed expenditure has not been included. It is assumed that the proportion of the Revenue Support Grant that benefits children is the same as the overall proportion of Local Authority spending on children.

² <http://wales.gov.uk/statistics>

Notes on the use of statistical articles

Statistical articles generally relate to one-off analyses for which there are no updates planned, at least in the short-term, and serve to make such analyses available to a wider audience than might otherwise be the case. They are mainly used to publish analyses that are exploratory in some way, for example:

- ... Introducing a new experimental series of data;
- ... A partial analysis of an issue which provides a useful starting point for further research but that nevertheless is a useful analysis in its own right;
- ... Drawing attention to research undertaken by other organisations, either commissioned by the Welsh Assembly Government or otherwise, where it is useful to highlight the conclusions, or to build further upon the research;
- ... An analysis where the results may not be of as high quality as those in our routine statistical releases and bulletins, but where meaningful conclusions can still be drawn from the results.

Where quality is an issue, this may arise in one or more of the following ways:

- ... being unable to accurately specify the timeframe used (as can be the case when using an administrative source);
- ... the quality of the data source or data used; or
- ... other specified reasons.

However, the level of quality will be such that it does not significantly impact upon the conclusions. For example, the exact timeframe may not be central to the conclusions that can be drawn, or it is the order of magnitude of the results, rather than the exact results, that are of interest to the audience.

The analysis presented does not constitute a National Statistic, but may be based on National Statistics outputs and will nevertheless have been subject to careful consideration and detailed checking before publication. An assessment of the strengths and weaknesses in the analysis will be included in the article, for example comparisons with other sources, along with guidance on how the analysis might be used, and a description of the methodology applied.

Articles are subject to the release practices as defined by the release practices protocol, and so, for example, are published on a pre-announced date in the same way as other statistical outputs. Missing value symbols used in the article follow the standards used in other statistical outputs, as outlined below.

- .. The data item is not available
- . The data item is not applicable
- The data item is not exactly zero, but estimated as zero or less than half the final digit shown
- * The data item is disclosive or not sufficiently robust for publication