



Briefing on Children's Budgeting

What is Children's Budgeting?

Children's budgeting is an attempt to separate the total expenditure that benefits children and young people from a government's entire spending. Support for children's budgetary analysis has arisen from a growing emphasis on children's rights around the world and also from NGOs, Children's Commissioners and others calling for the establishment of effective government structures for children.

The United Nations Convention on the Rights of the Child ¹ (the UNCRC) is a human rights treaty setting out the civil, political, economic, social, and cultural rights of children. It was developed to ensure that universal rights of children are upheld throughout the world. It was ratified by the UK twenty years ago and has been signed by nearly all nations in the world. The CRC requires States to take action to promote the full enjoyment by all children of the rights listed in the Convention, actions such as:

- the incorporation of the Convention into national law
- the development of national strategies and action plans
- the monitoring of implementation
- the collection of data and indicators
- the creation of independent human rights institutions and
- **making children visible in budgets.**

States are also required to report back periodically to a UN monitoring body on their progress. This body (The UN Committee on the Rights of the Child) has censured the UK (and other State parties) for failure to implement some aspects of the Convention, such as the requirement to make children visible in budgets. Article 4 requires States to analyse their public expenditure on children and determine that they are spending the '*maximum available resources*' to fulfil children's rights.

¹ <http://www.unicef.org/crc/>

Why we should implement children's budgeting

Through children's budgeting, governments can show how much money is being spent - and how well that money is being spent to help children and young people. A government can show what it is doing to implement children's rights. It can be a telling indicator of the priority given to children in a society. UK-wide children's budgeting would make it possible to:

- Compare public expenditure on children in different regions of the UK and with the UK average. It would also be possible to compare the financial focus on children in the UK with countries in Europe and elsewhere.
- Provide the information to assess spending priorities and that money is being targeted properly
- Increase the focus on measures to tackle child poverty

There is widespread agreement amongst children's campaigners that children's issues often receive too little attention and are given a low priority in the state budget. They maintain that budgets for children are not transparent. Many complain that even when sufficient money is allocated to children's programmes, it often ends up delivering much less than what it was supposed to. For some time children's organisations have been urging governments to give full support to the UNCRC by adopting children's budgeting. In 2002 in the absence of budgetary analysis carried out by government anywhere in the UK, a leading children's sector organisation, Save the Children commissioned an independent review of public expenditure on children in Wales. One of the aims of the project was to provide evidence to support the establishment of children's budgeting by government – an ambition which was eventually successful (see section on Wales, page 5). In 2009 Save the Children commissioned another study, this time at UK and devolved administration level. The report was entitled *A Child's Portion: analysis of public expenditure on children in the UK*². The analysis made it possible for the first time to make comparisons (of

² <http://www.savethechildren.org.uk/resources/online-library/child%E2%80%99s-portion-analysis-public-expenditure-children-uk>

Tom Sefton. Centre for the Analysis of Social Exclusion. London School of Economics. 2009
The report notes that the figures presented are estimates and should be treated with some caution. Gaps in the analysis are due to the necessary information not being published or collected in a consistent way over time or between different areas in the UK.

estimates) of expenditure per head for the year 2006/07 for each of the devolved administrations. It also examined trends in public expenditure between 1998/99 and 2006/07 in the child-related areas of early years, schools, social security and tax credits and personal social services. In addition the study looked at how much money was being allocated to helping the poorest children. The report strongly recommended that the UK and devolved administrations take steps to develop children's budgets saying:

We believe that government across the UK need to be more accountable for what they are spending to eradicate child poverty. More transparency is needed to ensure that civil society is aware of budget allocations for children; how they are changing over time; whether money is reaching and benefitting children living in poverty; and whether money is being spent efficiently.³

Children's budgeting in the EU

Recent independent research⁴ (2011) looked at what a number of EU Member States (including the UK) had achieved in relation to children's budget analysis and found that most attempts were limited. Several Member States claimed that identifying direct and indirect spending on children was too difficult. Some however, had begun to consider how they might go about the task and also how they could involve children in the decision making process. A few had produced child rights budgets showing the resources available for UNCRC activities. Some were attempting to track spending on children at a local level, while others acknowledged the value of children's budgets in supporting child-centred planning and interventions.

Children's budgeting in the UK and devolved administrations⁵

To date, the UK government has not carried out an analysis of spending on children. In 2008 the then UK Government stated that:

³ Ibid Page 6

⁴ Save the Children. *Governance fit for Children*. 2011
http://europe.savethechildren.se/Global/scs/EUROPE/Our%20focus/Gov_for_children/Comp_rep_Sum_webb_final.pdf

⁵ The UK Government together with the devolved administrations have responsibility for implementing the CRC in the UK in relation to reserved, excepted and non-reserved matters although direct responsibility remains with the UK government as the State Party.

*...it is not possible to provide an accurate single UK figure, or an assessment of the percentage of GDP spent on children ...because of ...
...a combination of factors such as devolved administration, differing policy priorities and a variety of ways in which budgets are allocated.⁶*

This statement was made to the UN Committee on the Rights of the Child - the body which monitors States compliance with the Convention. The UN Committee's concluding observations in 2008 challenged the UK government on its failure to implement this part of article 4:

The Committee notes with appreciation the increase in expenditures on children in recent years. Nevertheless, the Committee is concerned that the increases are not sufficient to eradicate poverty and tackle inequalities and that the lack of budgetary analysis and child rights impact assessment makes it difficult to identify how much expenditure is allocated to children across the State party and whether this serves to effectively implement policies and legislation affecting them.⁷

Recently the UK government has re-iterated its commitment to “*make the UNCRC a reality*” in a UK wide action plan *Working Together: Achieving More*⁸ to address the UN Committee's concluding observations - although this document does not explicitly mention children's budgets.

England

To date, the government has not identified spending on children in England. It has maintained that identifying the amount spent on children in many areas such as the health service is not possible.

Scotland

No children's budget is produced by government in Scotland. It is maintained that how budgets are constructed in Scotland makes it very difficult to accurately identify spend on children. Responding to the concluding observations of the UN Committee in 2009 the Scottish Government stated:

⁶ UK Government .The Consolidated 3rd and 4th Periodic Report to the UN Committee on the Rights of the Child.

⁷ Committee on the Rights of the Child Forty Ninth Session *Concluding Observations :United Kingdom of Great Britain and Northern Ireland* 3 October 2008
http://www.ofmdfmi.gov.uk/un_committee_on_the_rights_of_the_child_concluding_observations_pdf_4.pdf

⁸ Department for Children, Schools and Families 2009 *Working Together: Achieving more, a joint commitment to take action in response to the UN Committee on the Rights of the Child's Concluding Observations.* <https://www.education.gov.uk/publications/eOrderingDownload/01084-2009BKT-EN.pdf>

...It has traditionally proved difficult to collect data to the detailed level requested by the UN Committee and to link the data that is available directly to UNCRC requirements.

Wales

Each of the devolved regions of the UK must submit a section to be included in the UK periodic progress report for the UN Committee on the Rights of the Child. At the UK's last assessment in 2008 Wales took the lead within the UK by being the only devolved administration to include an analysis of its spending on children and young people. An important influence upon the Welsh Government's progress here was the independent research commissioned by Save the Children (*A Child's Portion*⁹, see page 2) which reviewed spending on children in Wales in 2006. Subsequent to the publication of the Save the Children study the Welsh Assembly Government (WAG) ordered a retrospective analysis of financial provision for children in its budget for 2004-05. Although described at the time as a rudimentary analysis it helped to counter the claims that it was impossible to do. The WAG followed this up with an analysis of the 2006-07 budget and in March 2009 published estimates for the proportion to be spent on children in the period 2007-08 to 2010-11.

In 2009 the Children and Young People Committee in the National Assembly for Wales carried out an inquiry on children's budgeting in Wales. The Terms of Reference for the Inquiry were:

- 1. To examine current arrangements for allocating and monitoring public expenditure on children and young people in Wales at national and local level.*
- 2. To identify overall Welsh government spending on children and young people.*

The Committee's final report of October 2009 concluded it was essential to develop a method of presenting budgets in Wales in a way that allows analysis of how children and young people benefit from public spending. The Committee stated :

Children's budgeting would create focus on the issues affecting children and young people across all Welsh Government and local authority departments and could highlight where departments may be counter-productive in furthering the children's

⁹ http://www.savethechildren.org.uk/en/docs/A_Childs_Portion_FINAL_AMENDED.pdf

*agenda in Wales. Children's budgeting would also allow children and young people, along with the wider public, to examine and more easily understand governmental budgeting which would allow for more meaningful consultation.*¹⁰

The Committee presented suggestions for how children's budgeting might be developed along with 11 recommendations for the Welsh Government.¹¹ The first recommendation was for the development of a single strategy detailing the expected outcomes of the government's expenditure towards children and young people, accompanied by an action plan for realising the strategy. The Committee considered Recommendation 4 to be the key recommendation of the report:

Recommend that the Welsh Government publishes Children and Young People's Budget Statements.

The Committee proposed that Budget Statements should be published at least every third financial year and be co-ordinated with existing budgeting processes. The Statements would express the Government's anticipated outcomes of its expenditure towards children and young people. They would explain the planned and actual percentage of expenditure lines which have direct or indirect impact on children. This would be especially important in areas such as transport, planning and housing.

Since its examination in 2008 by the UN Committee the Welsh Government published *Getting it Right – the UNCRC action plan for Wales 2009*¹² which set out specific actions that the Government intends to take over the next 4 to 5 years to implement the United Nations Convention on the Rights of the Child in Wales. One of the key priorities is: *Improving the transparency of budgeting for children and young people at Welsh Assembly Government level.*

The Rights of Children and Young Persons (Wales) Measure¹³ was passed in January 2011 by the National Assembly for Wales. It places a duty on Welsh Ministers to have due regard to the UNCRC, and makes a number of other provisions relating to children's rights in Wales. For example, it creates a duty on public authorities to make and demonstrate their contribution towards eradicating child poverty.

¹⁰ <http://www.assemblywales.org/bus-home/bus-third-assembly/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid/cr-ld8509-e.pdf?langoption=3&ttl=CR-LD8509%20-%20Children%20and%20Young%20People%20Committee%3A%20Legacy%20Report>

¹¹ <http://www.assemblywales.org/cr-ld7749-e.pdf>

¹² <http://wales.gov.uk/docs/dcells/publications/091117gettingitrighten.pdf>

¹³ <http://www.legislation.gov.uk/mwa/2011/2/contents>

Northern Ireland

To date, government in Northern Ireland (NI) has not produced a children's budget. This is despite a study of 2007 commissioned by the Northern Ireland Commissioner for Children and Young People (NICCY) and jointly funded by OFMDFM and DFP, which found that Northern Ireland had the lowest spend per child on children's services of all the regions in the UK.¹⁴ More independent budgetary research on NI came in 2009 with Save the Children's *A Child's Portion*¹⁵ which provided separate children's budget reports for each of the UK devolved administrations.

In 2009 the Northern Ireland Executive responded to the UN Committee's concluding observations in *UNCRC Northern Ireland's Priorities and Plans*¹⁶ The document states that "*Improved co-ordination in implementing children's rights*" in relation to article 4 is a priority area for action but the document does not mention children's budgets.

Many key children's sector organisations continue to point to the on-going absence of children's budgetary analysis in Northern Ireland and to remind government of its responsibility under article 4 of the UNCRC. In our response to the draft 2011-15 budget Children in Northern Ireland (CiNI), questioned the invisibility of children in the draft budget despite the Executive's continued vocalising of its commitment to children's rights¹⁷. In her presentation of February 2011 to the Assembly Committee for the Office of the First Minister and deputy First Minister, Children's Commissioner Patricia Lewsley also pointed to the invisibility of children in the current budget and stated:

*...it is disappointing that, in this Budget, children are invisible. It is not possible to see how they will be affected and, over the period of this Budget, I will be very closely monitoring the impact that its cuts have on children and I will be doing all that I can to protect children's services.*¹⁸

¹⁴ Analysis was by the Economic Research Institute for NI and the Institute for Fiscal Studies .
http://www.niccy.org/uploaded_docs/Budget%20Report/Analysis%20of%20public%20expenditure%20-%20Exec%20Summary.pdf

¹⁵ http://www.savethechildren.org.uk/sites/default/files/docs/A_Childs_Portion_NI_Briefing.pdf

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¹⁶ http://www.ofmdfmi.gov.uk/uncrc_statement_northern_ireland_annex_to_executive_5.11.2009-2.pdf

¹⁷ February 2011 <http://www.nicva.org/sites/default/files/CiNIDraftBudgetResponse.pdf>

¹⁸ http://www.niassembly.gov.uk/record/committees2010/OFMDFM/110223_NICCY.htm

In November 2011 the Children's Commissioner (NICCY) published a comprehensive report called *Barriers to Effective Government Delivery for Children in Northern Ireland*¹⁹. NICCY's research found a high degree of importance is attached by NGOs and statutory bodies in Northern Ireland to the issue of children's budgeting. NICCY was also pleased to find some acceptance amongst government representatives and Assembly Members of the "importance of tracking expenditure"; however NICCY also found there was ...*a degree of concern at the extent to which such tracking would be possible and cost effective.*²⁰

Methodology

How to analyse spending on children and young people

The methodology used by the Welsh Government for its 2006/07 budget analysis is published in a statistical article²¹ and summarised here. Budget Expenditure Lines (BELs) were used to estimate the financial provision for children within the Welsh Assembly budget. Each BEL was considered separately and it was decided by departmental business areas who benefited from that BEL. In brief, the task involved the following:

- Analysis of 'direct' expenditure on children and young people²². The Welsh Assembly statistical article explains that expenditure directly aimed at children and young people was assumed to have benefitted them 100 per cent. For example, "Food and Nutrition in schools" is aimed at children. Therefore all expenditure associated with the BEL is allocated to children. "Council Tax Education Scheme for Pensioners" is aimed at older people therefore none of this expenditure associated with this BEL is allocated to children. Consequently it was possible to give precise values on expenditure for children and young people in certain areas.

¹⁹ <http://www.niccy.org/article.aspx?menuId=12794>

²⁰ Ibid Page 51

²¹ Information for this section derived from :

<http://wales.gov.uk/docs/statistics/2009/090310sa26aen.pdf>

²² http://www.assemblywales.org/cyp_3__child_budgeting_submission_from_welsh_assembly_government__e-2.pdf

- Analysis of **'indirect'** expenditure on children and young people. This was much more difficult to identify than direct expenditure. The Welsh analysis assumed that the majority of local authority expenditure does have an impact on children and young people. For those BELs that are aimed at the population in general, a population breakdown was used to ascertain how much of the BEL was attributable to children. For example, the BEL relating to "Planning Inspectorate- Build and Natural Environment" is aimed at the community. Therefore a proportion of the expenditure associated with this BEL was allocated to children based upon population data.
- Using statistical data. Analysis was possible for those BELs for which data, with an age breakdown was available. For example, in health, the BEL for "Trusts and Central Budgets" used a statistical breakdown to ascertain the proportion spend 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" was allocated to children based upon these data.

The Welsh Assembly Government acknowledged that further work was needed to improve its methodology. With this in mind, a Task and Finish Group was set up within government. Key stakeholders were invited to provide advice on the intricacies of children's budgets at local and higher levels. The group aims to report to Ministers with proposals on how to improve budget forecasting and how to provide greater transparency about government budgeting. The group will consider issues such as participatory budgeting, pro-poor spending and how to secure the link between budgets, spend and outcomes for children. It will also take on board the conclusions of the inquiry into children's budgeting by the Children and Young People's Committee.

How to construct a children's budget

The WAG inquiry concluded that the way that budgets are constructed can be a major barrier to their analysis. It was recognised that a properly constructed budget can make it easier to identify exactly how much is being spent on children and young people and can make evident how money is being spent to alleviate child poverty. Consequently the WAG inquiry report made recommendations to the Welsh

Government about the best way to construct a budget for children. Their main points are summarised as follows:

- Decide on outcomes.

- The process of creating a children's budget should begin with government determining the expected outcomes from its expenditure on children.

- Objectives must be linked to expenditure and should be based round the government's seven core aims for children and young people.

- These desired outcomes should be stated in a strategy – and have an attached action plan (which deals with issues such as accountability and timescales). Measureable key performance indicators and targets should be set for each of the desired outcomes.

- Collaboration to establish the outcomes should take place between central and local government (as in the past funding was allocated to meet national strategic priorities – which may have differed from those of local authorities.)

- There should also be provision for consultation between government departments and local government on making the budgetary arrangements for any new policy which impacts on children and young people.

- Allocating and identifying expenditure

- Central government should agree with local government the outcomes to be achieved from local government's spending on children.

- The amount of money is being spent should be clearly identified at this stage.

- In relation to indirect expenditure lines, once money has been allocated to the different agencies these agencies must identify and record the proportions spent on children.

- To do this these agencies may need to set up new and better methods of data collection. Suitably detailed data may need to be collected - it should be possible, for example, to identify how much of the expenditure is going to

various sub-groups of children such as disabled children, those experiencing child poverty and children in different age groups.

-An important step in the process is the assessment of the impacts of expenditure against its desired outcomes.

-When assessing impacts, awareness is needed that different time scales can apply – for example, policies to tackle child poverty should be considered in the long term.

-Another consideration is the administrative and bureaucratic cost to local authorities in monitoring the impact of expenditure against outcomes.

- Production of children's budgeting statements

-This was considered the key recommendation of the WAG inquiry.

The Statements should express the Government's anticipated outcomes of its expenditure towards children and young people. They should explain the planned and actual percentage of expenditure lines which have direct or indirect impact on children.

-Data should relate not just to children as a collective whole, but also to different groups of children and young people.

-The statements should explain the forecasted percentage of each expenditure line which is expected to have an impact over the current financial year and subsequent two years on children and young people.

- Publish the Budget statements

-Government should co-ordinate the release of general budgets with children's budget statements.

-Children's budgets should be published every three years.

- Provide statutory guidance
 - Central government should produce statutory guidance for local authorities on the production of their budget statements and set the timescales for producing them.