

# Agenda – Equality, Local Government and Communities Committee

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Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 21 September 2017

Meeting time: 09.50

For further information contact:

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Pre-meeting (09.50 – 10.05)

## 1 Introductions, apologies, substitutions and declarations of interest

## 2 Inquiry into poverty in Wales: making the economy work for people on low incomes – evidence session 7

(10.05 – 11.05)

(Pages 1 – 26)

Dr Sharon Wright, Senior Lecturer in Public Policy, Urban Studies, School of Social and Political Sciences University of Glasgow

Dr Lisa Scullion, Reader in Social Policy, University of Salford

Break (11.05 – 11.15)

## 3 Inquiry into poverty in Wales: making the economy work for people on low incomes – evidence session 8

(11.15 – 12.15)

(Pages 27 – 52)

Ed Evans, Director, Civil Engineering Contractors Association

Andrew Marchant, Chair, Wales Construction Federation Alliance

Lunch (12.15 – 13.00)

## 4 Inquiry into poverty in Wales: making the economy work for people on low incomes – evidence session 9

(13.00 – 14.00)

(Pages 53 – 59)

Mark Drakeford AM, Cabinet Secretary for Finance and Local Government



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

Sue Moffatt, Director, National Procurement Service

## **5 Paper(s) to note**

**5.1 Letter from the Cabinet Secretary for Communities and Children in relation to the Abolition of the Right to Buy and Associated Rights (Wales) Bill**

(Pages 60 – 63)

**5.2 Letter from the Finance Committee in relation to the Welsh Government budget 2018–19**

(Pages 64 – 66)

**5.3 Additional information from Oxfam in relation to asset-based approaches to poverty reduction**

(Pages 67 – 70)

**5.4 Letter to the Cabinet Secretary for Communities and Children in relation to fire safety in high rise blocks in Wales**

(Pages 71 – 80)

**5.5 Letter from the Equality and Human Rights Commission in relation to human rights in Wales**

(Pages 81 – 83)

**5.6 Letter from the Llywydd in relation to Implementation of the Wales Act 2017**

(Pages 84 – 85)

**5.7 Letter from the Welsh Refugee Council in relation to refugees and asylum seekers in Wales**

(Page 86)

**6 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of the meeting**

**7 Inquiry into poverty in Wales: making the economy work for people on low incomes – consideration of evidence received under items 2, 3 and 4**

(14.00 – 14.20)

**8 Abolition of the Right to Buy and Associated Rights (Wales) Bill –  
Order of Consideration – agreement in principle ahead of Stage 2  
proceedings**

(14.20 – 14.30)

(Pages 87 – 92)

Document is Restricted

1. This evidence is submitted in a personal capacity<sup>1</sup>. It addresses the final topic in the consultation, 'The role that welfare benefits play in supporting people on low incomes in Wales' and in particular considers the issues raised by the introduction of Universal Credit.
2. Universal Credit replaces six means-tested benefits (Income-based Jobseeker's Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, Income-related Employment and Support Allowance and Income Support) with a single system covering people both in and out of work.
3. Universal Credit is based on a household means test, and is assessed and paid monthly, in a single payment. For employed claimants, there is an automatic adjustment of payments when earnings change (through data supplied by employers), but other changes in circumstances must be reported by claimants and are treated as applying to the whole month.
4. The main aims of Universal Credit are to improve incentives both for people to enter work and for people to make progress in work. It is intended to be a simpler system, easier for people to understand and more straightforward to administer<sup>2</sup>.
5. Universal Credit is also expected to bring about transformational change. The main political architects of the system – Iain Duncan Smith, MP and Lord David Freud – make this very clear: "... what Universal Credit is really about is a sweeping cultural change".
6. This cultural change applies to **jobcentres** ("vastly improved administration ... allowing Work Coaches to focus on the real task of helping people enter and progress in work"), **local authorities** ("joining up services for the most vulnerable to deliver holistic support that helps people get online and better manage their money"), **businesses** ("recruiting someone part-time, for extra shifts or overtime suddenly becomes a real possibility"), and **individuals** ("no longer trapping people in dependency but providing the incentive and support to secure a better future for themselves and their families")<sup>3</sup>.
7. Universal Credit is being rolled out over a period of several years. It is now available to single jobseekers throughout Great Britain. Couples and families with children are currently being brought into the system. Those who claim Universal Credit, or are brought into the system following a change in circumstances, cannot go back and claim the legacy benefits. In Wales, the roll-out to couples and families is just starting<sup>4</sup>.
8. An estimated ten million people in the UK will be in the Universal Credit system when it is fully operational. Thus Universal Credit will be playing a central role in supporting people with low incomes, in and out of work. This is the new environment in which individuals and employers will be operating and making decisions about jobs and working hours.
9. The *level* at which Universal Credit is paid is clearly an important factor affecting incomes and living standards. Various cuts and restrictions have already been

introduced as part of the 'austerity' budgets of the Cameron/Osborne governments. These include limiting the child element to two children, the removal of the family element/first child premium, and cuts in access to and the level of the work allowance (the amount that people can keep before their Universal Credit starts to be reduced). The impact of these changes will vary for different family types and circumstances, but the House of Commons Library estimates that working households with children would lose an average of £1,300 in 2020<sup>5</sup>. Alongside other benefits cuts, this means that child poverty rates are predicted to rise over the next few years<sup>6</sup>.

10. But it is not just the level of the benefit that has an impact on people's lives, it is also the *rules and conditions* attached to people claiming and receiving Universal Credit. Here I focus on areas where the early evidence and reports from on the ground (housing associations, MPs, charities and welfare rights advisors) suggest that some problems are emerging. These may provide an early warning of the challenges that will be faced when families, who tend to have more complex and changeable circumstances compared with single people, are brought into the system.
11. First, there are issues about **accessing the system**. Universal Credit is designed to be 'digital by default' and one of the things this means is that, for the majority of people, claims are made online. Help may be available through Jobcentres or local advice services. But many people with low incomes have no access to computers at home, and must rely on friends or public systems in libraries or Jobcentres, which are not always readily available. Others will lack the experience and skills to easily negotiate complicated online forms. Thus some people face barriers to accessing the system, as the DWP evaluation shows<sup>7</sup>.
12. Second, there is the time taken to **assess claims and make payments**. There is a waiting period of seven days for new claims<sup>8</sup>, the assessment period is four weeks, and then up to another week before the first payment is made. Six weeks is a long time and some claims are taking longer than this<sup>9</sup>. (Some people may get an advance, but this has to be paid back over 6 or 12 months.) There is evidence that this time to assess and pay Universal Credit causes significant financial hardship, including debt. Recent evidence to the House of Commons Work and Pensions Committee, pointed in particular to an increase in rent arrears<sup>10</sup>. Data on foodbank use from the Trussell Trust also suggest that this long wait for payments has led to increased foodbank use, as well as other hardship indicators<sup>11</sup>. Many MPs expressed concerns about the impact of these long waits for Universal Credit payments in a House of Commons debate in April 2017<sup>12</sup>, and some have suggested the need to delay the roll-out to avoid further hardship<sup>13</sup>.
13. Third, there are also hardship issues arising from the **change to a monthly assessment and single monthly payment**. The monthly payment is intended to give people the opportunity to manage their money in the same way as they would in work. But most means-tested benefits are currently paid fortnightly and many low-paid people are paid weekly<sup>14</sup>. So this is a significant change which may not be a good fit to budgeting practices that rely on the receipt of different sources of income at different times. And the single payment to one (nominated) account for couples has raised concerns about the potential impact on women's access to benefit income<sup>15</sup>. Advice on how to access alternative systems of payment (which

are available to certain claimants in some circumstances) and on budgeting and money management is likely to be an important form of support for some claimants.

14. Fourth, Universal Credit includes new rules for **work requirements**, extending these to more people, including to more household members (partners in couple families with children) and to some people in part-time work, who may be required to try to increase their earnings or hours. A new role within DWP – the ‘work coach’ - is being introduced to support people into work and help those in work to increase their hours. But it can be difficult to increase hours without changing jobs, and for some groups, such as lone mothers, stability in work may be more important than more working hours, to enable them to manage work and family responsibilities<sup>16</sup>. There is also some evidence to suggest that those in work do not understand, and find it difficult to meet, these work requirements and that sanctions not only cause hardship but are experienced as arbitrary and unjust<sup>17</sup>.
15. Universal Credit is a national scheme, not devolved to the Welsh government, so there is no real option to vary the design. However there are some areas where local activity to support the effective implementation of the scheme will make a difference, and where work is already under way.
16. In respect of hardship due to payment delays or sanctions, the Discretionary Assistance Fund and the Discretionary Housing Payments system provide for emergency financial support for some, and monitoring these in relation to Universal Credit would provide information on whether and how people are being affected.
17. In relation to information and advice, the Universal Support delivered locally (USdl) programme provides the framework, allowing the development of local partnerships and the opportunity for innovation and experimentation. Sharing ideas and identifying good practice will be important in making these into effective and joined-up services<sup>18</sup>. Self-employed people are eligible to claim Universal Credit, as well as employees, and this requires advice and support tailored to their needs.
18. The extension of the work requirements to people who are already in work and other household members is a significant change, with major implications not just for claimants but also for devolved public services, for example skills and training provision and employment support services. The extent to which these are ready for Universal Credit needs to be assessed and provisions developed as appropriate. Similarly, the impact of monthly payments on systems in the public and third sector (especially in respect of housing costs and council tax) needs to be monitored and systems revised as appropriate.
19. It will also be important to work with business and employers, to provide relevant information about Universal Credit and to support the development of ‘good jobs’. The level of wages is one part of this, and seeking to increase the number of employers paying higher wages would reduce reliance on Universal Credit. The hours of work on offer are also important. Universal Credit work coaches will be expected to work with employers to develop job opportunities, but there are no specific requirements placed on employers to offer job contracts with a minimum, or guaranteed, number of hours, or to enable people to increase their hours of work.

20. Tax credits have become a very significant source of income for many working families over the past two decades. Providing financial support to people with low and variable earnings is important to making the economy work for people on low incomes. Further work to assess the labour market and wider impact of Universal Credit at local level, and on different groups within the labour market, will thus be critical for future policy development.

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<sup>1</sup> With thanks to Fran Bennett, Rita Griffiths and Victoria Winckler for comments.

<sup>2</sup> DWP (2010) *Universal Credit: welfare that works*, London: DWP.

<sup>3</sup> Preface to DWP (2015) *Universal Credit at Work spring 2015*, London: DWP.

<sup>4</sup> The [DWP map](#) shows where Universal Credit is available, and the [schedule for 2017 and 2018](#), London: DWP.

<sup>5</sup> Keen, R. and Kennedy, S. (2016) *Universal credit changes from April 2016*, House of Commons Library.

<sup>6</sup> Finch, D. (2015) *A poverty of information: Assessing the government's new child poverty focus and future trends*, London: Resolution Foundation.

<sup>7</sup> DWP (2016) *Evaluation of the Universal Support Delivered Locally trials*. London: DWP.

<sup>8</sup> This does not apply to those moving to Universal Credit from legacy benefits. DWP (2017) *Universal Credit: different earning patterns and your payments*.

<sup>9</sup> DWP estimates that 80% of cases were paid in full at the end of the first assessment period. *The Guardian* (25.8.2017)

<sup>10</sup> House of Commons Work and Pensions Select Committee (2017) *Universal Credit update inquiry*.

<sup>11</sup> The Trussell Trust (2017) *Early warnings: Universal credit and foodbanks*. The Trussell Trust.

<sup>12</sup> [House of Commons Hansard](#) (2017).

<sup>13</sup> [The Guardian](#) (2017).

<sup>14</sup> Millar, J. and Bennett, F. (2016) Universal Credit: assumptions, contradictions and virtual reality. *Social Policy and Society*. 16(2):169-182

<sup>15</sup> See [Women's Budget Group](#) website.

<sup>16</sup> Millar J. and Ridge T. (2017) *Work and relationships over time in lone-mother families*. Joseph Rowntree Foundation.

Millar, J (2016) Evidence to House of Commons Select Committee inquiry [In-work Progress](#).

<sup>17</sup> Wright, S. (2016) *First wave findings, Universal Credit*.

<sup>18</sup> DWP (2103) *Local Authority Led Pilots: A summary of early learning from the pilots*, London: DWP; Centre for Social Justice (2016) *Next steps for universal support in Universal Credit, Roundtable Report*. London: CSJ.



**Written Evidence from: Dr Sharon Wright<sup>i</sup>, University of Glasgow, 1<sup>st</sup> September 2017**

**For: Equality, Local Government and Communities Committee, National Assembly for Wales**

**Inquiry into ‘Work, Labour Markets, Equalities and Related Issues’: Welfare Benefits**

## **1. Social security in Wales**

1.1 The major change to social security provision in Wales is the introduction and roll-out of Universal Credit. In addition to this, several policies have impacted people on low incomes, including:

- Household Benefit Cap
- Spare Room Subsidy (‘Bedroom Tax’)
- Benefit rates, below poverty levels<sup>ii</sup>, reduced by rate freezes and uprating mechanisms (ensuring year-on-year long-term devaluation of benefits relative to wages and costs of living).

1.2 This written evidence is focused on Universal Credit and back-to-work support.

## **2. Universal Credit**

2.1 Universal Credit (UC) is the new working age benefit that replaces six existing payments (Income-Based Jobseeker’s Allowance, Employment Support Allowance Work Related Activity Group, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit). UC is being rolled out first in full digital service areas (to be completed by September 2018), then these will become live service areas. Roll-out has been delayed, but existing benefit and tax credit claimants are expected to transfer to UC from July 2019 – March 2022. The roll-out for Wales is due to intensify in autumn/winter 2017 and spring/summer 2018<sup>iii</sup>.

**2.2 What might Universal Credit roll-out mean for Wales?** Universal Credit (UC) was designed to: simplify working age benefits, particularly to ease the transition between benefits and paid work; to ensure that being in work was more financially viable than being out of work; to provide employers with flexible workers; and to reduce fraud and error<sup>iv</sup>. Since UC was announced, several changes and cuts have reduced the generosity of the payment (caps, tapers and restriction to only two children<sup>v</sup>) and undermined its ability to deliver what was promised<sup>vi</sup>. Research shows that UC is likely to create challenges for claimants in Wales due to:

- In-built waiting days and long assessment periods lead to payment delays (officially approx. 5 weeks<sup>vii</sup>, but up to 10 weeks in practice<sup>viii</sup>) between claiming and receiving the first payment, meaning lengthy periods without income despite entitlement.
- Sanctions
  - UC sanctioning rates are higher than for Jobseeker’s Allowance (JSA)<sup>ix</sup>;
  - Multiple UC sanctions hit harder because they are consecutive, rather than concurrent;
  - UC extends sanctioning to partners of claimants and claimants in work (for whom UC replaces Working Tax Credit<sup>x</sup>);
  - Sanctions are harsh (up to 3 years or indefinitely until ‘recompliance’) and disproportionate (e.g. miss an appointment, lose income for a month)<sup>xi</sup>;

- Sanctioned claimants are rarely informed of their right to Hardship Payments and only tiny proportions tend to apply<sup>xii</sup>;
  - Hardship payments are made at a reduced rate, available after a two-week waiting period of no income;
  - newly for UC, Hardship Payments must be repaid;
- Mandatory reconsideration and administrative delays deter appeals (even for those with good cause that can be evidenced) and claimants may be unaware that penalties ramp up for subsequent sanctions.<sup>xiii</sup>
- New digital requirements, including Day One Conditionality (e.g. having an email account and using Universal Jobmatch) and the digital by default claims process, make it more difficult for those with language, literacy and dyslexia-type conditions to establish and maintain their claim.
- Lumpy monthly payments that combine income, housing and child components at below-poverty rates that are very low by cross-national standards<sup>xiv</sup>, making budgeting more difficult, poverty more prevalent and deeper for those in-work<sup>xv</sup> (particularly couples with children) and out of work and increasing risks of rent arrears, eviction and destitution.
- Dilution of lone parent ‘easements’ – provisions to protect reduced travel distances and working/job-search hours under JSA have been reduced to guidance under UC, meaning that lone parents face greater pressure to prioritise paid employment over caring activities
- 35 hour working/job-seeking model – UC usually requires 35 hours per week of paid work or job search, which disadvantages those impaired by disability/long-term health conditions and carers (disproportionately women), for whom full-time work is not realistic. There are tensions between inflexible Jobcentre Plus conditionality requirements (e.g. fixed appointment times) and contemporary employer practices (e.g. short notice work on zero-hours contracts).

2.3 These features are likely to worsen the financial circumstances of many claimants in Wales and be detrimental to the Welsh economy (since low income households spend a high proportion of income locally). Unmanageable debt and housing arrears are likely to increase, along with increased risks of eviction, destitution and food poverty<sup>xvi</sup>.

#### **2.4 Recommendations:**

1. Universal Credit information and take-up campaigns are launched in Wales, designed to reduce stigma and to mitigate the disentanglement strategy pursued by the UK Government. This will maximise income for households (both in and out of work) rightfully entitled to UC and support the Welsh economy.
2. Mitigating action is taken to reduce the financial impact of welfare reform in Wales, including the costs of Universal Credit, sanctions and likely reductions in those with entitlement making claims (in the medium-term this will include in-work recipients who would otherwise claim Working Tax Credit, including public sector employees)<sup>xvii</sup>.
3. The Assembly for Wales and local authorities work collaboratively with the Department for Work and Pensions and Jobcentre Plus to minimise sanctioning (e.g. by creating more positive cultures of enablement) and create good practices that ensure dignity and respect for claimants and JCP work coaches (e.g. flexible appointment times for workers, parents

and disabled people/those with long-term health conditions, including those with learning difficulties and mental health difficulties).

4. Investment in welfare rights advice to ensure that those who are entitled, do make and retain their claim.
  - New forms of flexible (online and phone) support and advocacy for Mandatory Reconsiderations and appeals.
5. The National Assembly for Wales lobby the UK Government for greater welfare powers to make changes to Universal Credit administration, most crucially to ensure:
  - claimant choice over whether payments are made weekly or monthly;
  - default payment of the housing element to social and private landlords, with claimant choice to opt in to receiving the housing element directly;
  - default payment to the main carer, rather than the main earner to ensure that children's needs are put first and to minimise financial abuse.
6. The National Assembly for Wales lobby the UK Government to:
  - ease the sanctions regime (for example, to reduce penalties in proportion with the 'offence' e.g. non-financial or shorter duration and/or lower benefit reductions for common service sector occurrences such as missed appointments)
  - reinstate lone parent 'easements' as duties rather than guidance.

### **3. Back-to-work support**

3.1 There are several weaknesses inherent in the design of reserved welfare-to-work programmes, like the UK Government's Work and Health Programme, which are detrimental to people living on low incomes in Wales and to the Welsh economy. Inbuilt disincentives, including harsh sanctions, deter use of the programmes and benefit claims. This is likely to worsen under Universal Credit, meaning that essential benefit income will be lost to individual households and local economies, contributing to more prevalent and deeper experiences of poverty, deprivation and destitution. Several issues create challenges for benefit claimants in Wales:

- Underfunding and disinvestment, UK active labour market programmes are the most frugally funded in Europe<sup>xviii</sup>.
- Very little support is offered, meaning that the system operates mainly on a coerced self-help basis<sup>xix</sup>
- The combination of profit-based service commissioning (payment by results in a market dominated by large multi-national providers) and punitive social security reforms creates strong disincentives to claiming benefits and using services.
- Recent Work Programme evaluations show underperformance in Wales, with the hardest to help benefitting least, which reinforces inequalities.

#### **3.2 Recommendations:**

1. That the National Assembly for Wales lobby the UK Government for greater welfare powers, to achieve parity with the Scottish Parliament's legislative and administrative powers relating to social security and back-to-work support. Greater Welsh control could enable:
  - Locally-informed design of employability programmes (to replace the Work and Health Programme), based on user experiences and research evidence, rather than ideology or myth<sup>xx</sup>;

- Funding allocation based on the principle of social investment (rather than ‘work first’ deterrence), which could result in more meaningful and sustainable outcomes for service users, especially those facing multiple barriers.
  - Removal of the profit motive from employment service design could redirect resources to services based in Wales, reduce fraud and ensure that services are designed to deliver what users need rather than what shareholders can profit from;
  - Removal of employability programme sanctions on the rationale that high quality services can attract users because they deliver what claimants need.
2. That bespoke Welsh back-to-work support services be developed in local areas, particularly for lone parents, disabled people and those with long-term health conditions and in-work Universal Credit claimants, on a voluntary basis, ensuring dignity and respect, practical support (e.g. help with form-filling) and a focus on user-defined long-term outcomes (including training, job retention).
  3. That the National Assembly for Wales engage with employers to promote the employment of part-time carers, disable people and those with long-term health conditions.

### Appendix One: Universal Credit Roll-Out in Wales

Month	Local Authority	Jobcentre Plus Area
July 2017	Torfaen	Cwmbran, Pontypool
Oct 2017	Neath Port Talbot	Neath, Port Talbot
Dec 2017	Swansea	Gorseinon, Morriston, Swansea
Feb 2018	City of Cardiff	Cardiff Alex House, Cardiff Charles Street
	Carmarthenshire	Ammanford, Carmarthen, Llanelli
	Isle of Anglesey	Amlywch, Holyhead, Llangefni
	Merthyr Tydfil	Merthyr Tydfil
April 2018	Monmouthshire	Abergavenny, Caldicot, Chepstow
	Blaenau Gwent	Abertillery, Ebbw Vale
May 2018	Gwynedd	Bangor, Caernarfon, Dolgellau, Porthmadog, Pwllheli
	Caerphilly	Bargoed, Blackwood, Caerphilly
June 2018	Ceredigion	Aberystwyth, Cardigan
	Gwynedd	Machynlleth
	Powys	Brecon, Llandrindod Wells, Newton, Machynlleth, Welshpool, Ystradgynlais
July 2018	Vale of Glamorgan	Barry
July 2018	Rhondda Cynon Taf	Aberdare, Llantrisant, Pontypridd, Porth, Tonypany, Treorchy

### Appendix Two: British Benefit Sanctions (2012-present)<sup>xxi</sup>

Benefit/programme	Low e.g. non-attendance at Jobcentre Plus or Work Programme	Medium e.g. failure to be available for work	High e.g. failure to apply for a job or refusal of Mandatory Work Activity
Jobseeker’s Allowance	Benefit stopped or reduced for: 1st/2nd ‘offence’ = 28 days 3rd = 91 days		1st/2nd = 91 days Then = 182 days– 1,095 days
Universal Credit	Benefit stopped until re-compliance, or reduced for: 1st = 7 days 2nd = 14 days 3rd = 28 days	1st = 28 days 2nd/3rd = 91 days	1st = 91 days 2nd = 182 days 3rd = 1,095 days
Employment and Support	Benefit stopped until re-compliance, then 1st = 7 days 2nd = 14 days 3rd = 28 days		

<sup>i</sup> Senior Lecturer in Public Policy, Urban Studies, 25 Bute Gardens, University of Glasgow, G12 8RS, 0141 330 3782, [sharon.wright@glasgow.ac.uk](mailto:sharon.wright@glasgow.ac.uk) @DrSharonEWright Dr Wright leads the University of Glasgow contribution to the ‘Welfare Conditionality: sanctions, support and behaviour change’ (2013-18) research project: [www.welfareconditionality.ac.uk](http://www.welfareconditionality.ac.uk) @WelCond Views expressed in this briefing are the author’s own.

<sup>ii</sup> Kenway P (2009) *Should Adult Benefit for Unemployment now be Raised?* York: Joseph Rowntree Foundation.

<sup>iii</sup> See Appendix One; DWP (2016) *Universal Credit: Transition Rollout Schedule – July 2017-September 2018*: <https://www.gov.uk/government/publications/universal-credit-transition-to-full-service>

<sup>iv</sup> DWP, 2010a, 21st century welfare, London: The Stationery Office; DWP, 2010b, Universal Credit: Welfare that works, London: The Stationery Office

<sup>v</sup> <https://www.gov.uk/universal-credit/what-youll-get>

<sup>vi</sup> Finch, D (2016) Universal challenge: making a success of Universal Credit Resolution Foundation.

<sup>vii</sup> <https://www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles>

<sup>viii</sup> Wright S Dwyer P McNeill J and Stewart ABR (2016) First Wave Findings: Universal Credit:

<http://www.welfareconditionality.ac.uk/wp-content/uploads/2016/05/WelCond-findings-Universal-Credit-May16.pdf>

<sup>ix</sup> Webster D (2017) *Benefit Sanctions Statistics: JSA, ESA, Universal Credit and Income Support for Lone Parents* :

<http://www.cpag.org.uk/david-webster>

<sup>x</sup> Dwyer P and Wright S (2014) ‘Universal Credit, ubiquitous conditionality and its implications for social citizenship’, *Journal of Poverty and Social Justice*, 22 (1) 27-35.

<sup>xi</sup> Wright *et al.* (2016), see note viii; See Appendix Two

<sup>xii</sup> DWP (2013a) *The Jobcentre Plus Offer: Final Evaluation Report* London: DWP; National Audit Office (2016) *DWP Benefit Sanctions*, London: National Audit Office.

<sup>xiii</sup> Webster D (2016) *Explaining the rise and fall of JSA and ESA sanctions 2010–16*: <http://www.cpag.org.uk/david-webster> ;

<sup>xiv</sup> Esser I, Ferrarini T, Nelson K, Palme J and Sjöberg O (2013) *Unemployment Benefits in EU Member States*. Geneva: European Commission; Kenway P (2009) *Should Adult Benefit for Unemployment now be Raised?* York: Joseph Rowntree Foundation.

<sup>xv</sup> Bailey, N (2016) Exclusionary employment in Britain’s broken labour market. *Critical Social Policy* 36, 1, 82-103

<sup>xvi</sup> Fitzpatrick S Bramley G. Sosenko F Blenkinsopp J Johnsen S Littlewood M Netto G and Watts B (2016) *Destitution in the UK*, York: Joseph Rowntree Foundation.

<sup>xvii</sup> Williams E and Carter L (2015) *The Impact of Welfare Reforms on Housing Policy in Wales: A Rapid Evidence Review* Public Policy Institute for Wales

<sup>xviii</sup> Bonoli G (2010) The political economy of active labour market policy *Politics & Society* 38(4): 435–457.

<sup>xix</sup> Fletcher D R and Wright S (2017) ‘A hand up or a slap down? Criminalising benefit claimants in Britain via strategies of surveillance, sanctions and deterrence’, *Critical Social Policy*, (forthcoming)

<sup>xx</sup> Wright S (2016) ‘I don’t want your benefits!’ *Welfare reforms fail to understand the day-to-day lives of those on benefits* LSE blog; Newman I (2011), ‘Work as a route out of poverty: a critical evaluation of the UK welfare-to work policy’, *Policy Studies*, 32: 2, 91–108.

<sup>xxi</sup> p28–31, DWP (2010b) Universal Credit: Welfare that works. London: HMSO; DWP (2015b) Work Programme Provider Guidance:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/505310/wp-pgchapter-3a.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/505310/wp-pgchapter-3a.pdf)

Citizen’s Advice (2017) Benefits for People Looking for Work: [https://www.citizensadvice.org.uk/benefits/in-work-or-looking-for-work/benefits-for-people-looking-for-work/#h\\_jobseekers\\_allowance\\_and\\_sanctions](https://www.citizensadvice.org.uk/benefits/in-work-or-looking-for-work/benefits-for-people-looking-for-work/#h_jobseekers_allowance_and_sanctions)



**Written evidence from the Welfare Conditionality: Sanctions, Support and Behaviour Change Project**

Submission to Equality, Local Government and Communities Committee,  
National Assembly for Wales

Inquiry:  
Making the economy work for people on low incomes

**September 2017**

Peter Dwyer, Lisa Scullion, & Sharon Wright

## 1 Introduction

1.1 Our five-year (2013-2018) project *Welfare conditionality: sanctions support and behaviour change*, is funded by the Economic and Social Research Council. It involves researchers from six universities, and is exploring the ethics and effectiveness of welfare conditionality, including sanctions and support in the benefits system.

1.2 We are particularly investigating the effects of sanctions and support on the lives of nine groups: unemployed people, those claiming Universal Credit, lone parents, disabled people, social tenants, homeless people, individuals/families subject to antisocial behaviour orders/family intervention projects, offenders and migrants.

1.3 Our First Wave Findings were published in 2016<sup>i</sup>. Final research findings will be available in summer 2018.

1.4 This submission was prepared by Professor Peter Dwyer, University of York, Dr Lisa Scullion, University of Salford and Dr Sharon Wright, University of Glasgow, on behalf of the Welfare Conditionality Project.

1.5 We address our comments and evidence specifically to Committee's terms of reference concerning 'The role that welfare benefits play in supporting people on low incomes in Wales', particularly in relation to our expertise on welfare conditionality within the UK social security system.

## 2 Background

2.1 Conditionality is currently embedded in a broad range of policy arenas and its use has been extended over time to previously exempt groups (e.g. lone parents with children over the age of three, the majority of disabled people in receipt of ESA). Additionally, since the introduction of an enhanced sanctions regime in October 2012, tough penalties for non-compliance are now routinely applied to the majority of social security benefit claimants who fail to punctually attend mandatory work focused interviews (WFIs), or who do not meet their personalised work preparation or job search requirements as set out in their Claimant Commitment. Benefit sanctions range from a 100% loss of benefit for four weeks, for an initial low level transgression (e.g. non-attendance at a specified interview with an adviser), to up to three years' loss of entitlement for a repeat, third, high level offence such as failure to apply for a job.<sup>ii</sup> Subsequently, the number of benefit sanctions initially increased rapidly, before falling again post-2013. As the transition to Universal Credit (UC) continues, UC sanction rates are higher than for Jobseeker's Allowance (JSA) claimants<sup>iii</sup>.

2.2 However, policymakers' assumptions about conditionality and its effects remain largely untested. Our research seeks to answer detailed questions about how the systems work in practice, which groups are affected, why and how.

2.3 Our qualitative research project is the largest of its kind in the UK. It involves interviews with 52 policy stakeholders, 27 focus groups conducted with practitioners and three repeat qualitative longitudinal interviews (n.481 people at wave 1 interview) with nine groups of welfare service users (benefit recipients) in England and Scotland. Although our research does not include respondents from Wales, as the welfare benefit system is substantially UK-wide we believe our evidence and findings have wider resonance and applicability to Wales.

### 3 Our research findings

3.1 Our first wave research findings, published in 2016, include extensive evidence on the negative effects of welfare conditionality, i.e. linking the receipt of social security benefits to mandatory behavioural requirements (such as compulsory WFIs and training, extensive job search), under threat of benefit sanction. Key findings include:

- Most respondents report negative experiences of welfare conditionality within the social security system. The threat of sanction for non-compliance led to widespread anxiety and feelings of disempowerment among benefit recipients.
- The impacts of benefit sanctions are universally reported by benefit recipients as profoundly negative. Routinely, sanctions had severely detrimental financial, material, emotional and health impacts on those subject to them. There was evidence of certain individuals being pushed toward survival crime or disengaging from services.
- Most benefit recipients reported negative experiences of support from Jobcentre Plus or Work Programme providers. However, there were some examples of good practice, and of mandatory support helping people to improve their work or personal situations.
- Many of those in receipt of social security benefits believe that the focus of Jobcentre and Work Programme staff has shifted away from providing appropriate support and help in finding employment and is now primarily concerned with the monitoring of work search and other behavioural requirements and the application of benefit sanctions.

3.2 Additionally, our first wave findings suggest that those with specific vulnerabilities and/or complex needs, (e.g. disabled people, lone parents, migrants homeless people) have been disproportionately affected by intensifying welfare conditionality. Examples include:





- Disabled people in receipt of Employment and Support Allowance widely condemned the Work Capability Assessment (WCA) process. At best it was seen as inappropriately conducted, at worst unfit for purpose.
- Many respondents with mental health issues think that their impairments are not taken seriously and that responses to their situations and needs are often inappropriate.
- Lone parents report doing everything they can to minimise the impact of sanctions on their children, but concerns about damaging effects on innocent third parties are widespread.
- Some frontline staff who administer benefits to migrants fail to fully understand the complex regulations that apply. Flawed interpretation of the rules can lead to very negative outcomes for individual migrants who are inappropriately denied benefits and services.
- European Economic Area (EEA) migrants spoke of being denied support due to additional residency and 'genuine prospect of work' requirements. Practitioners and policy stakeholders working with refugees and asylum seekers emphasised concerns about highly qualified migrants being 'forced into low-paid, low-skilled jobs' rather than supported to make use of their pre-existing skills.
- Respondents reported that 'easements' within the social security system designed to reduce or remove work search and training requirements placed on specific groups (e.g. homeless people, lone parents) in recognition of their particular circumstances /vulnerabilities were on occasions not implemented.

### 3.3 Our research has also identified a series of issues over the implementation of sanctions.

- Harsh, disproportionate or inappropriate sanctioning was frequently reported by benefit recipients.
- The application of sanctions created deep resentment and feelings of injustice among benefit recipients.

3.4 According to a recent report by the National Audit Office<sup>iv</sup>, the DWP 'expects the possibility of sanctions to encourage people to comply more with conditions, and lead to faster entry into employment for those able to work', To date, our study has found little evidence of the application of conditionality and the use of sanctions bringing about the positive effects UK government intends:

- The common thread linking stories of successful transitions into work, or the cessation of problematic behaviour, was not so much the threat or experience of sanction, but the availability of appropriate individual support.
- There was limited evidence of welfare conditionality bringing about positive behaviour change. Evidence of it working to move people nearer to the paid labour market was rare. A minority of practitioners and benefit recipients did acknowledge some positive outcomes.
- One common change in behaviour was a heightened vigilance in meeting the demands of conditionality that did not necessarily equate with improving the prospects of finding work. Participants would, for example, ensure they arrived for appointments earlier, to avoid the risk of being sanctioned if they were delayed. Others applied for jobs they did not have adequate qualifications for, to ensure they applied for an adequate number of jobs for that fortnight.

3.5 In fact, our research has uncovered a range of counterproductive effects of behavioural conditionality and sanctions or the threat of sanctions.

- For many, the struggle to meet the requirements placed on them and coping with the secondary effects triggered by potential non-compliance negated the opportunities for achieving positive behaviour change. The application of welfare conditionality to those with caring responsibilities, ill health, disability, addiction or language difficulties was especially problematic.
- The applications of sanctions undermines the process of recovery from addiction or mental or physical health problems.
- Applying behavioural conditionality appeared to push some people away from engagement with the social security system, sometimes with grave consequences including increased homelessness, severe poverty, having no food and worsening health problems.
- Some respondents reported mandatory work search requirements as counterproductive to their entry into paid work. In this context, the online jobsearch tool Universal Job Match was particularly criticised as ineffective, a distraction from more effective job search methods, and a tool of surveillance rather than support.
- Respondents reported variable quality of and satisfaction with support. Some disabled respondents spoke of being treated like 'a number' and felt that the 'one-size fits all' approach to supporting disabled people into work was inappropriate. However, there were some examples of good practice and of mandatory support helping people to improve their work or personal situations. These included empathetic Jobcentre Plus and Work Programme

advisers, some of whom were supportive and flexible in their response to individuals' circumstances, and whose support was appreciated.

3.6 In respect of Universal Credit, our work to date show a range of experiences concerning the frequency of Universal Credit payments, with many interviewees finding the monthly payment problematic to manage because the level of payment was insufficient to meet all basic needs. In contrast, they noted that fortnightly payments made it easier to budget, particularly for ensuring that they had enough food to last them between payments. There were also particular difficulties with long delays between people making a claim and receiving their first payment (up to 10 weeks was reported by benefit recipients in our study).

3.7 While a number of respondents reported they had no problem with the housing element of UC being paid directly to them (as they had set up a direct debit to pay their rent), others found direct payment of the housing element of UC more problematic. These UC recipients expressed a strong preference for the housing element of UC to be paid directly to the landlord. This assisted with their budgeting decisions as they struggled to balance the competing costs of meeting housing and other basic needs (e.g. fuel and food) whilst living in poverty. Direct payment of the housing element provided peace of mind in respect of paying their rent and maintaining security in respect of their tenancy.

3.8 Linked to the above, direct payments were seen as being especially beneficial in potential crisis situations such as those triggered by the application of a benefit sanction. On such occasions benefit recipients reported the necessity of using their remaining 'rent money' to meet other basic needs, exacerbating rent arrears and placing tenancies at risk.

3.9 The UK Government's approach to in-work Universal Credit recipients is particularly criticised by participants in our research. Recipients think they should not be subject to similar sanctions to unemployed people, particularly in relation to missing appointments due to work commitments. Our evidence suggests a mismatch between the design of conditionality and its application to in-work claimants of UC. The job search requirements on them currently do not fit their lived experience, as they already provide evidence of their willingness to work by being in paid employment. A further mismatch exists with the fluctuating expectations of employers and changing workforce norms (including zero hours contracts that make exact working hours and times unpredictable) and the inflexible requirements of conditionality.

## 4 Concluding comments

4.1 Vulnerabilities of the kinds found in our study have brought into question key premises upon which conditional welfare interventions are based. Advocates of welfare conditionality, including the UK government, assume that people are able to make decisions and respond to both sanctions and support in rational and future-orientated ways. But many of our respondents had a very limited comprehension of the sanction, support or behavioural requirements placed on them. Some benefit recipients reported that they did not know the reason why they had been sanctioned. In such cases the rationale underpinning welfare conditionality, that its application will bring about positive behaviour change, and increased or enhanced engagement with paid work, is fundamentally undermined.

## 5 Our recommendations

5.1 We recommend:

**The National Assembly of Wales lobby the UK government to:**

- **undertake a fundamental review** of the proportionality and appropriateness of applying benefit sanctions, particularly to disabled people, lone parents with young children and in-work recipients of Universal Credit.
- **adopt a more graduated approach to sanctions** that could involve a warning system and incremental increases in any sanction applied. In the Netherlands, for example, only a percentage of benefit is withdrawn from sanctioned recipients, rather than all benefit<sup>v</sup>.
- For powers to **vary UC payments**, for a default position of:
  - Twice-monthly UC payments, if requested by claimants
  - Housing costs paid to social and private landlords (with claimant choice to receive the housing element directly)
  - Within joint claims payments to be made to the main carer, rather than the main earner (with claimant choice to opt in for main earner to receive the payment).
  - **Recalibrating the operation of in-work UC** to remove the threat of financial sanction from those already in paid employment and ensure that claimants are not sanctioned for: non-attendance at Jobcentre Plus interviews due to their existing paid or unpaid work (e.g, caring) commitments; or inability to apply for extra employment when that is incompatible with existing employment contracts.

- The National Assembly for Wales works with DWP to **expedite the administration of Universal Credit** to ensure that initial payments are made in a timely fashion.
- **Action is taken to ease the negative effects** of sanctions, improve the support, and improve implementation.
- **A reformed approach to in-work Universal Credit recipients.** Our initial findings suggest some practical approaches could be taken to overcome counterproductive effects in the UC ‘in-work progression’ system. We therefore recommend for further exploration approaches including:
  - **Improving the quality and level of support** available to in-work UC recipients to build a relationship of trust and enhance access to meaningful, sustainable and better quality work opportunities.
  - **Increasing the availability, range and quality** of training and educational opportunities for in-work UC claimants.
- **Improving the quality and level of support** available to benefit recipients benefit recipients to enhance access to meaningful, sustainable work. Some states in the US, for example, have scaled down large-scale, universal workfare programmes in preference for ‘softer’ and more flexible models that offer greater support to those with the most barriers to work<sup>vi</sup>. There is some evidence that monitoring work search activities has a positive impact of itself. A study from Northern Ireland found that this was independent of adjustments in sanctions or other aspects of conditionality<sup>vii</sup>.
- **Better implementation** within the social security system to ensure greater fairness and consistency, proper communication with service users, transparency and accountability, and attention to people’s individual needs and circumstances. Robust monitoring and reporting of sanctions is needed, particularly given the variability of sanction rates geographically and the serious impacts sanctions can have.

For more detailed analysis of the issues raised in this submission please refer to our [first wave findings](#) documents (10). We are currently engaged in ongoing analysis of subsequent waves of new data and will be pleased to feed into the committee’s work in the future.

For further information on this submission, please contact project Impact Officer Janis Bright in the first instance: [janis.bright@york.ac.uk](mailto:janis.bright@york.ac.uk)



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<sup>i</sup> <http://www.welfareconditionality.ac.uk/publication-category/initial-main-report/>

<sup>ii</sup> DWP (2012) Changes to Jobseeker's Allowance sanctions from 22 October 2012, London: Department for Work and Pensions

<sup>iii</sup> Webster D (2017) Benefit Sanctions Statistics: JSA, ESA, Universal Credit and Income Support for Lone Parents : <http://www.cpag.org.uk/david-webster>

<sup>iv</sup> NAO (National Audit Office) 2016. Benefit sanctions. London: NAO <https://www.nao.org.uk/report/benefit-sanctions/>

<sup>v</sup> Abbring, J. H., Berg, G. J., & Ours, J. C. (2005). The effect of unemployment insurance sanctions on the transition rate from unemployment to employment. *Economic Journal*, 115(505), 602-630.

<sup>vi</sup> Crisp, R., & Fletcher, D.R. (2008). *A comparative review of welfare programmes in the United States, Canada and Australia*. DWP Research Report No.533. London: DWP

<sup>vii</sup> McVicar, D. (2010). Does job search monitoring intensity affect unemployment? Evidence from Northern Ireland. *Economica*, 77, 296-313.

Document is Restricted

FAO John Griffiths AM

Dear Mr Griffiths,

11<sup>th</sup> August 2017

**EQUALITY, LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE (NATIONAL ASSEMBLY FOR WALES)**

## **Inquiry into making the economy work for people on low incomes**

**Ymateb gan Gymdeithas Contractwyr Peirianeg Sifil Cymru / Evidence from the Civil Engineering Contractors Association (CECA) Wales**

Thank you for the opportunity to provide evidence to the Equality, Local Government and Communities Committee on your Inquiry into making the economy work for people on low incomes.

As Director for the Civil Engineering Contractors Association (CECA) Wales I feel that, if we are prepared to be bold and drive through a cultural change in the way public and private sectors work together in Wales on infrastructure matters, we have an opportunity to significantly increase the social value that can be delivered through investment in infrastructure and construction in its broader sense. It is by doing this that we can help to ensure that all of our people benefit from investment in infrastructure including those on low incomes.

As an organisation which represents 60 of Wales' largest and smallest civil engineering contracting businesses we see, on a day to day basis, the positive impacts that investment in infrastructure can bring for our communities. With a cumulative annual turnover in excess of £1bn and employing over 6,000 people directly, as well as many others through extended supply chains, these businesses play a huge part in supporting communities across Wales and they make a significant contribution to the economic prosperity of our nation. Our members are also major providers of training and apprenticeship opportunities and, on a more fundamental level, it is our members who will build the infrastructure that our nation needs to prosper. However, on a less positive note, it is also our members who witness poor practices and lost opportunities to better support those in our communities through this investment. This is no more evident than in the public sector procurement process which, when implemented sensitively and collaboratively, can deliver huge benefits to our communities, but, when delivered less sensitively and in a transactional environment can lead to a considerable loss of value. These poor practices, I suspect, have a disproportional impact on our less affluent communities through lost opportunity.

I realise that making the economy work for people on low incomes can take many forms. However, I have restricted my submission to :

1. opportunities to improve economic wellbeing for those on low incomes by increasing social value through the public procurement process;
2. streamlining the procurement process and making it more accessible to Welsh SMEs
3. how the Wellbeing of Future Generations Act could support those on low incomes - but only if we are willing to significantly transform our approach to procurement.



## **1. Making the economy work for people on low incomes – increasing social value through public sector procurement**

The community benefits or social value agenda is an integral element of Welsh Government Procurement Policy and has been a familiar feature of the construction industry in Wales for many years. It comprises a range of opportunities including targeted recruitment, training and upskilling, engagement with schools and colleges and community interventions.

Current delivery, despite some examples of better practice, is largely based on the public sector seeking community benefits via individual projects either voluntarily by asking for an “offer” from a supplier or contractually by prescribing what they want via contractual conditions. In the voluntary case, this often ends up with a “mixed bag” offer which is rarely enforced and rarely produces tangible and long-term benefits. In the contractual case, targets are rarely well thought out and suppliers, particularly smaller ones, struggle to deliver meaningful results. Both approaches are difficult to apply, manage and measure and, as a result the impacts are highly variable. For many, this laudable aim is stagnating in its current form and, at worst, those involved in its implementation are experiencing (and sometimes exhibiting) increased cynicism!

However, there is some room for optimism. The Wellbeing of Future Generations Act offers a golden opportunity to rethink the processes for the procurement of infrastructure and construction works. The current drive towards regional collaboration across the Welsh public sector (notwithstanding this having been an aspiration for many over, at least, the last 15 years or so!) now has a greater impetus given the desire of the Cabinet Secretary for Finance, Mark Drakeford, for this to happen, with or without legislation. There is also the establishments of Local Service Boards and the creation of City/Growth Deals covering north, southeast, southwest and mid Wales to drive economic development and greater prosperity. The private sector has a crucial role to play in all these scenarios but success will only be achieved through a more collaborative partnership. Effective procurement is key to this, not least in supporting an increase in social value. If we are to increase social value a number of issues need to be considered :

### **a. Current arrangements**

With the exception of some high-profile projects, current arrangements involve a relatively transactional approach to community benefits where clients set out their “requirements” in contracts documents, suppliers bid for the contract and (potentially!) make allowances in their tender to meet the “requirements”, and then successful bidders are expected to deliver the “requirements”. These “requirements” may be considered “core” to the contract in which case they are contractually binding or “non-core” in which case they are voluntary. In the former case, there is rarely a penalty for non-delivery and in the latter case there is no formal obligation to deliver.

***Is this a satisfactory way to deliver such important social benefits?***

## **b. Commitment**

The level of commitment by public sector clients is highly variable despite it being a requirement of Welsh Government Procurement Policy and being continually highlighted as a key feature of the work of individual public bodies and the City/Growth Regions/Deals.

***Why are all public sector clients not fully engaged with this agenda?***

***Is there a disconnect between policy makers, politicians and senior executives and those who procure and deliver construction projects?***

***Or is there a disconnect within client organisations, between those procuring works and those responsible for delivery?***

## **c. Measurement**

Measures of success are poorly understood. This is not helped by a lack of performance data. The Welsh Government's own Community Benefits Measurement Tool, which is administered by Value Wales, is not used on all projects. It is currently under review.

***Why is its use not mandated on all projects? Why is there not greater clarity on social value expectations?***

**At CECA Wales we believe that a new model is needed to increase social value, a model that is both strategic and client/public sector led.**

Despite being part of the public-sector landscape for many years it is becoming clear that, with the exception of some high-profile examples, the level of commitment to community benefits and, hence, our ability to improve economic conditions for those on low pay is not as widespread as it needs to be. Arguably, although the policy has delivered some good results, the current method of implementation, based on a transactional and contract based approach, is limited and not suitable for achieving the widespread results needed across Wales.

Given that the real beneficiaries of a successful social value programme are our people and our communities across Wales then this agenda must be owned and managed strategically by the Welsh public sector and not delegated to the private sector in a transactional and contract-specific manner which leads to fragmentation, a loss of consistency and continuity and, ultimately, a loss of benefit to communities.

***A new model to increase social value from construction investment needs to be based on a strategic and client led approach, delivering social value requirements at a programme/regional level over a long term rather than a local/contract-specific level over a short term.***

***It needs to be client-led rather than supplier led (although suppliers will continue to have a key role in delivery).***

***It will need support structures/mechanisms to be established by client organisations at a regional level so that successful suppliers for individual contracts (or frameworks) can utilise these arrangements as and when they successfully “win” contracts.***

The current approach is short term, disruptive and ineffective but a strategically coordinated, regional/programme based approach driven by the client would give continuity, longevity and better results. The key is that it's client led and supplier supported – and underpinned by a collaborative ethos where there are no losers!

## **2.Streamlining the procurement process and making it more accessible to Welsh SMEs**

For every £1 invested in infrastructure and construction projects current research estimates that a further £2.84 is generated through employment and purchasing via extended supply chains. Welsh civil engineering and construction SME's, particularly the smaller ones, by their very nature tend to work very locally, delivering services within their regions. They employ significant numbers of local people and are seen as good employers within their communities. As well as employing professional people they also employ skilled tradesmen, labourers and administrative staff. Jobs are also well-paid relative to Welsh averages. They provide high quality training and upskilling opportunities and, as long as there is a strong “pipeline” of work, they are able to provide long term employment opportunities.

However, the ability of smaller companies to access opportunities through the public sector in infrastructure and other sectors is impacted by unnecessarily lengthy, costly and bureaucratic procurement processes. We have championed the principles set out in the Welsh Government's Procurement Policy Statements for many years and believe that, if fully and sensitively applied, would support the efforts of local businesses to access public sector contracts. ***We would recommend that the current procurement practices of public bodies be reviewed in the specific context of the construction sector given the amount of expenditure involved and the significant opportunities for people on low incomes and from disadvantaged communities.***

CECA Wales and its partners across the UK recently produced its “CECA Procurement Report - Directions in Policy for the UK Construction Sector” which we have shared with a number of major infrastructure clients across Wales. The report contains recommendations for improving the procurement process which continues to be far too bureaucratic and costly across, not just Wales, but the UK as a whole. Since this report was published CECA Wales have prepared their own Welsh specific report in partnership with the Association of Consulting Engineers and the County Surveyors Society (CSS) Cymru to draw out any specific lessons for the public sector in Wales. I have appended the draft report (we hope to have finalised the report by the time this Committee sits) but have highlighted 3 key opportunities for the future :

1. Many of the challenges and recommendations for improvement depend on having an **“informed public sector client”**, adequately resourced and sufficiently competent to make sensible and sensitive decisions over procurement strategies, “lotting” strategies for frameworks and encouraging the participation and growth of SMEs as a result of public infrastructure investment.

2. The need for **regular and high quality engagement and communication** between all parties to the delivery of infrastructure at all stages is clear. This is not a difficult issue to address.
3. Specific attention needs to be given to **growth opportunities for Welsh based SMEs** via the public sector procurement process. Although a cornerstone of Welsh Government Procurement Policy the focus on this area varies considerably across Wales with successful practices in some areas counterbalanced by little or no attention paid in others. The role of an “intelligent public sector client” is key to this.

We feel that these 3 opportunities must be addressed if we are to improve the process of construction procurement for the benefit of people on low incomes.

### **3.The implications of and opportunities arising from the Wellbeing of Future Generations Act**

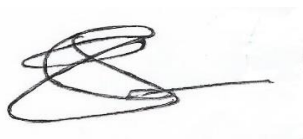
How the Wellbeing of Future Generations Act could support those on low incomes – but only if we are willing to significantly transform our approach to procurement.

The Wellbeing of Future Generations Act offers a huge opportunity to change the way we procure goods and services across the Welsh public sector. Whilst the Act is viewed by many as public sector focused its impacts should be felt across the Welsh economy and especially amongst private sector suppliers to the public sector – through the procurement process. If the Act is applied sensitively and intelligently there is an opportunity to improve the economic wellbeing of people on low incomes through better procurement and improved social value – as considered above. However, if it is seen by public sector procurers as a “tick box” exercise for them to gain “approval to proceed” and then merely “codify” the requirements of the Act into a set of contractual conditions which are inserted into tendering documents for the private sector to decipher and put a price on them then we will all have failed and, in effect, we will have exacerbated the two issues mentioned above. We will have further complicated an already onerous procurement process and further complicated the social value process.

**We would like to see a bottom up approach taken to this whereby the private sector is fully engaged with the public sector to shape a procurement process which delivers for the Welsh economy, which delivers for those on low incomes and which embraces the goals within the Wellbeing of Future Generations Act.**

I trust that these views and observations are helpful to you and your Committee but please contact me should you wish to discuss these matters in greater detail.

Yours sincerely



**Ed Evans**  
Director, CECA Wales/Cymru



## Wales Construction Federation Alliance [WCFA]

### EQUALITY, LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE (NATIONAL ASSEMBLY FOR WALES)

#### Inquiry into making the economy work for people on low incomes

#### Submission from the Welsh Construction Federation Alliance [WCFA]

##### THE WCFA

1. The WCFA comprises the following trade bodies representing a cross-section of construction in Wales:
  - Specialist Engineering Contractors' (SEC) Group Wales/Cymru
  - Civil Engineering Contractors Association (CECA Wales)
  - Federation of Master Builders (FMB Cymru)
  - Home Builders' Federation (HBF Wales).
  - Mineral Products Association (Wales).
  - Builders Merchants Federation (Wales)

Together these bodies represent the vast majority of Welsh construction (by value).

##### THIS SUBMISSION

2. This submission to the Equality, Local Government and Communities Committee focuses on how construction procurement might be harnessed to help people on low incomes and, thus, reduce levels of poverty. Additionally, it seeks to promote the means by which the Wales Governments' Community Benefits Policy and Social Values might be delivered. It should be emphasised that some 99% of firms in Welsh construction are SMEs and, given the implementation of efficient procurement processes, secure cash-flow and fair competition, they will be the better able willingly to continue playing their part in alleviating poverty and delivering Community Benefits in line with Wales Government Policy. The majority of SMEs are involved in the delivery of construction works as sub-contractors in the supply chain. There are approximately 13,000 firms employing 130,000 people, involved in the design and delivery of construction-related

activity across Wales.

## PROCUREMENT

3. We have fully supported the Welsh Government's desire (through the Wales Procurement Policy) to use procurement as a strategic tool to improve the overall well-being of people in Wales. In fact, four years ago, the construction industry in Wales developed a Construction Procurement Strategy with this overall goal in mind. This strategy had the total endorsement of Welsh Government with the (then) Minister for Finance, Jane Hutt AM commenting that: "*we can use intelligent procurement policy to deliver cost effective outcomes that also provide social, economic and environmental benefits to Wales.*"
4. The Construction Procurement Strategy was produced by the Construction Procurement Strategy Steering Group comprising, but not exclusively, representation from the public sector, WGLA, Constructing Excellence in Wales and, significantly, Value Wales, the construction procurement arm of Welsh Government, as well as representatives from the supply chain. The Strategy set out a bold objective for achieving radical reform of construction procurement in Wales:

*"Clients will form a procurement policy that uses ethical sourcing, enables best value to be achieved and encourages the early involvement of the supply chain. Integrated project teams will be used to work together to achieve the best possible solution in terms of design, buildability, environmental performance and sustainable development."*

5. Implementation of the above objective would realise **two** major benefits that would ultimately improve the lives of people in Wales on low incomes:
  - efficiency savings gained through better value procurement can be diverted by Welsh Government to programmes that will help and support people on low incomes to improve their position, not least including Community Benefits:
  - Improved procurement practices will help displace bad practices - especially those associated with unfair risk transfer along the supply chain - that severely impinge upon the ability of SMEs to employ and, significantly, to train people in their communities.

Moreover best value procurement strategies help to sustain economic growth the benefits of which, in turn, permeate down to the less well-off.

6. But progress on achieving this objective, by general consensus, has been slow. The key to unlocking greater efficiencies and, thus, savings, is to engage the supply chain much earlier in the procurement process. This significantly reduces waste. A study carried out by the (then) Defence Estates Organisation in 1999 indicated that early supply chain involvement could save up to 69% on materials and labour costs. Currently significant waste is incurred by supply chains in having to make designs "work" or in rectifying work because of poor design or the lack of adequate information about the design. This, then

breeds disputes and provides reasons for denying payments to firms in the supply chain.

7. To overcome this fragmentation in the delivery process (which generates substantial wasted costs) the Construction Procurement Strategy calls for the use of integrated project teams from the outset. It recommends the piloting of a radical procurement option referred to as Integrated Project Insurance (IPI). IPI is already being trialled by the UK Government. It aims to achieve savings of up to 20% on construction works through eliminating process waste. IPI requires that the whole of the delivery team is appointed at the outset to agree with the client on the design solutions and how best to manage risk. The client and the team then finalise the cost plan which is then insured. If there is an overrun on the cost plan the insurance policy - a financial loss policy - meets the overrun subject to an excess shared in pre-agreed proportions amongst the delivery team.
8. The previous Minister for Finance, Jane Hutt AM, has suggested potential piloting of IPI on a two of projects within the 21<sup>st</sup> Century Schools Framework. It is vitally important that, given Welsh Government's ambitious economic and social infrastructure pipeline, that Welsh Government prioritises construction procurement reform. The only way in which this can be achieved is through a national agency that drives the reform process against measured targets, progress milestones and assessment of outcomes. Such agency should also have the power to challenge poor practices (that usually engender unnecessary costs) by both public sector clients and the supply side.
9. Whilst on the subject of wasted costs, Value Wales estimates that £20 million p.a. is wasted on the prequalification process. SMEs regularly complain that they have to repetitively complete prequalification questionnaires before becoming eligible to compete for contracts. These questionnaires either come from public sector organisations or from tier 1 contractors. Each questionnaire is different and this process, therefore, often imposes a substantial financial burden on small firms. Welsh Government has sought to standardise the process by publishing its supplier Qualification Information Database (SQulD). Unfortunately this is only being used by 50% of local authorities in Wales and there is no insistence that it is used by tier 1 contractors when selecting their sub-contractors. Our view is that we need to save the £20 million so that the monies can be re-directed to needier projects, such as are being considered by this Committee.

#### **OUR PROPOSALS**

**We invite the Committee to consider recommending:**

- 1. The setting up of a National Construction Procurement Agency to drive procurement reform and challenge poor practices with the objective of achieving up to 20% savings in the cost of construction/infrastructure. Central to this should be the piloting of the IPI option (as is already recommended within the Construction Procurement Strategy but has yet to be implemented).**
- 2. The same Agency should have a general remit to challenge wasteful and unnecessary expenditure with particular regard to the prequalification process. It should have powers to mandate any necessary changes (perhaps through the**

**withdrawal of grant-aid). The use of SQuID should be mandated across the public sector construction, up and down the supply chain.**

## **CASHFLOW**

10. The ability of SMEs in Wales to support their local communities through providing training, upskilling of their workforces and providing employment opportunities is critically hampered by poor payment practices. These are particularly prevalent in the supply chain where large tier 1 contractors tend to bolster their ailing balance sheets by insisting on lengthy payment periods or by finding spurious reasons for non-payment. A particular abuse is associated with the regular practice of withholding monies from progress payments, ostensibly as a hedge against failure of a firm to return to remedy defects. In practice this system of cash retentions is used, again, to bolster the working capital of those withholding the monies. Often the monies are not released until 2 or 3 years after handover of the work. Furthermore public bodies in Wales use retentions to finance other capital works\* or, in some cases, to invest in the overnight money markets. Approximately £30 million worth of retentions is outstanding at any one time in Welsh public sector construction. The bulk of these monies are funded by small firms.

*\*Evidenced by surveys of Local Authorities obtained by SEC Group Wales in 2014 and 2016 using the Freedom of Information Act.*

### **OUR PROPOSALS**

**We invite the Committee to:**

- 1. Endorse the imminent announcement by Welsh Government that project bank accounts (PBAs) will be mandated for public sector projects worth over £2 million. (PBAs will enable monies to be paid directly from a public sector client to SMEs in the supply chain through a ring-fenced bank account; this will enable payments to be made within 12 to 15 days.)**
- 2. Urge Welsh Government to introduce a statutory requirement that retention monies withheld on construction works in Wales are held in a protected scheme until release (such legislation already exists in North America, Europe and Australasia).**

## **A LEVEL PLAYING FIELD FOR COMPETITION**

11. The inevitable “race to the bottom” where lowest price trumps technical proficiency and reputation favours businesses which have little interest in investing in people and their communities. This issue was highlighted in Professor John Cole’s inquiry into the defects resulting in the closure of 17 Edinburgh schools last year and is likely to be raised again in the public inquiry into the Grenfell Tower tragedy. There is little incentive for reputable firms to provide the necessary investment in their own communities when they are operating in a very uneven competitive environment.



12. The overwhelming majority of US States and some Australian States have licensing schemes. Licensing provides evidence that a business is technically competent (often because it invests in training and developing the necessary skills) and has a good health and safety record. Many trade associations in Wales operate arms-length schemes that verify a firm's technical capability.

#### **OUR PROPOSAL**

**We invite the Committee to urge Welsh Government to establish a joint Government/WCFA task force with a remit to actively consider solutions such that a more level 'playing field' is created for all construction and allied sector firms in Wales. Perhaps also with a remit to consider licensing schemes abroad and distil the benefits into a licensing scheme for Welsh construction. A national licensing scheme for Wales would have the added benefit of dispensing with the pre-qualification process, with the ensuing benefits in the reduction of waste.**

#### **SUMMARY**

13. We firmly believe that, in taking radical action in the three areas we have identified could place the Welsh construction industry, together with the Welsh public sector, in a far stronger position to contribute to alleviating the incidence of poverty in Wales and assisting in meaningfully delivering Community Benefits. That notwithstanding, construction SMEs in Wales will continue to play their part in supporting their local communities, but some strong recommendations from the Committee may help to remove some of the barriers, such that, overall, wasteful practices in public sector procurement are eradicated, facilitating assistance to Wales Government in delivery of its' Community Benefits Policy and adding to real Social Value.

21/08/17 – AM/RK.

## Equality, Local Government & Communities Committee

### Scrutiny session on Poverty in Wales, 21 September 2017

#### 1. Background

- 1.1 Welsh public sector procurement policy sits within the portfolio of the Cabinet Secretary for Local Government and Finance.
- 1.2 The Welsh public sector spends around £6bn annually on goods, services and works. Estimated expenditure by each part of the public sector is:
  - Local Government - £3.3bn;
  - NHS Wales - £1.3bn;
  - Welsh Government - £0.67bn;
  - Higher Education - £0.33bn;
  - Police - £0.14bn;
  - Welsh Government Sponsored Bodies - £0.08bn
  - Further Education - £0.05bn; and
  - Fire and Rescue - £0.05bn.
- 1.3 The approach to committing this expenditure can have a profound impact in creating and sustaining employment, helping tackle poverty in Wales.
- 1.4 The principles by which the Welsh public sector is expected to undertake procurement are set out in the Wales Procurement Policy Statement (WPPS). The WPPS outlines how the community benefits approach and procurement policies can help tackle poverty and promote ethical employment practices in business.

#### 2. Delivery of the Code of Practice on Ethical Employment in Supply Chains

- 2.1 The Code of Practice on Ethical Employment in Supply Chains ('the Code') is a product of social partnership, having been agreed in collaboration with members of the Workforce Partnership Council.
- 2.2 The Code was launched in March 2017 by the Cabinet Secretary for Finance and Local Government at the Workforce Partnership Council.
- 2.3 It is Wales' response to;
  - the supply chain provision in the Modern Slavery Act (2015);
  - concerns around on-going problems with unfair employment practices, including false self-employment, blacklisting of unionised workers, unfair use of umbrella employment schemes and unfair zero hours contracts; and
  - the Welsh Government's commitment to promoting the Living Wage Foundation's Living Wage.
- 2.4 The Code's 12 commitments include putting policies in place; asking questions in procurements; adding contract conditions where

necessary; and carrying out regular risk assessments on categories of spend, with focussed action where problems are identified.

2.5 Delivery against the Code is supported by guidance and model procurement questions and contract conditions, available via the [Welsh Government website](#).

2.6 The Welsh Government has signed up to the Code, as has Cardiff Council and the whole of the Higher Education sector. The Police forces plan to confirm sign up soon and it has been agreed with the Welsh Local Government Association that the remaining 21 councils should sign up to the Code by the end of 2017.

2.7 Buyers in all sectors should include specific questions and contract conditions where relevant.

### **3. Delivery of Community Benefits Procurement Policy to benefit people on low incomes**

3.1 Community Benefits policy encourages a focus on helping people with complex barriers to work into employment, by incorporating clauses into contracts to provide employment and training opportunities.

3.2 The WPPS sets out that the Welsh public sector should apply Community Benefits policy to all relevant contracts which provide opportunity for delivering wider social and economic value.

3.3 Delivery of the policy across the Welsh public sector is supported by guidance and model contract clauses. Welsh Government also coordinates networking events to enable sharing of best practice.

3.4 The Welsh Government promotes application of the policy in delivery of contracts where there is an element of grant funding involved, for example, the 21<sup>st</sup> Century Schools programme

3.5 The impact of the Community Benefits policy is captured through completed measurement tools from across the Welsh public sector.

3.6 Measurement of 339 projects with an overall value £1.4bn in which community benefits clauses have been incorporated illustrates that almost £300m of this expenditure has been paid as income to Welsh residents. Within this, 2,117 disadvantaged persons have been helped into employment and almost 46,000 weeks of training have been provided, enabling people to gain new skills for career progression.

3.7 Analysis of these overall benefits shows that application of the policy is consistent with the aims of the Valleys Taskforce work. Measurement of 79 projects which have been delivered in the Valleys region with a value of £366m shows that £88m of this expenditure has been paid as income to Welsh residents. As part of this impact, 566 disadvantaged persons have been helped into employment.

3.8 Community Benefits policy encourages public bodies to work with contracted suppliers to promote credit unions to help in addressing issues of saving and providing cheaper loans to employees.

#### **4. Monitoring and Enforcement of the Welsh Government's Ethical Procurement Policies**

4.1 Sign up to the Code is not mandatory, nor will it be a condition of contract or grant funding. However, all organisations in receipt of Welsh Government funding, directly or through grants or contracts, are *expected* to sign up.

4.2 Welsh Government encourages organisations who sign up to the Code to publish their Anti-Slavery statements, upload key documents and complete a short questionnaire on the [TISC register](#).

4.3 Sign up to the Code involves production of regular updates which enables Welsh Government to work with public bodies to progress their plans to fully embed its commitments.

4.4 Close working with the Unions in key sectors such as construction provides a means for identifying examples of good and poor practice and the coordination of support to apply the Code effectively. In addition, the Welsh Government's [Supplier Feedback Service](#) acts as a conduit to seek feedback regarding application of the Code.

#### **5. The Procurement element of Better Jobs, Closer to Home**

5.1 The Better Jobs Closer to Home initiative was introduced by the Wales TUC through the Council for Economic Renewal. It proposed exploring delivery of a programme that could help tackle poverty; develop skilled workers; deploy innovative procurement policy; and support businesses to grow.

5.2 A cross government team has worked with Wales TUC to identify pilot opportunities within the Welsh public sector's overall procurement expenditure where targeted approaches could help tackle poverty; develop skilled workers; deploy innovative procurement policy; and support businesses to grow by creating employment and training opportunities in areas of high economic deprivation expenditure.

5.3 The Better Jobs Closer to Home programme sits within the Valleys Task force and the All Age Employability Programme.

5.4 The agreed pilots, all of which are located in the Valleys Taskforce region, are:

- Pilot 1 – Uniforms and Clothing which will be based in Ebbw Vale. This pilot seeks to establish a manufacturing unit to operate as an Intermediate Labour Market (ILM), providing workers with skills to be matched with opportunities in the wider labour market;

- Pilot 2 – Signage which will be based in Ebbw Vale. This pilot is focussed on job retention and job creation through increasing demand for signage produced by a social enterprise. This approach has been successful as orders are being placed through the existing social enterprise;
- Pilot 3 – Re-engineered paint which is planned to be sited at Bryn Pica in Abercynon, Rhondda Cynon Taf. This involves securing a licence for a social enterprise in Wales to re-engineer paint; and
- Pilot 4 – Re-cycled paper involving an existing social enterprise, based in Pentrebach, Merthyr Tydfil. This work has led to increased demand for pulp waste paper product made by the social enterprise to enable the organisation to be self-sustaining.

5.5 Pilots 1 and 3 are still in development phase and are subject to state aid and procurement advice. It is planned for these pilots to be active from April 2018 after which they will be evaluated. If successful, it is the intention to replicate all of the pilot approaches across other areas of expenditure and parts of Wales.

## **6. Gender equality initiatives and Ethical Procurement**

- 6.1 As part of the Equality Act 2010, a new public sector equality duty (PSED) came into force. The duty requires public authorities to tackle discrimination and promote equal opportunities.
- 6.2 The public procurement rules allow for equality-related issues to be taken into account in the procurement process where they are relevant to the subject matter, or relate to the performance, of the contract.
- 6.3 In the context of a contracted out public service or function, providers need to confirm that they meet the requirements of the PSED. Public bodies who are subject to the PSED remain liable for compliance with the duty.
- 6.4 Guidance to support the Welsh public sector to comply with the Equalities Act and PSED is available via the on-line [Procurement Route Planner](#).
- 6.5 Public bodies are also encouraged to consider gender equality in procurement through application of the Sustainability Risk Assessment (SRA) and Community Benefits policy.
- 6.6 The SRA prompts public bodies to consider whether there are any gender equality supply chain risks associated with individual procurements and if so, encourages development of approaches to mitigate against those risks.
- 6.7 The Welsh Government is recognised in the Stonewall Top 100 Employers 2016 report. The report takes account of ten areas of employment policy and practice, including deployment through procurement.

- 6.8 Community Benefits encourages focus on delivering employment or training opportunities where it is identified that the contract in question could support a 'disadvantaged' person who works in a sector where the gender imbalance is at least 25% higher than the average gender imbalance across that sector.
- 7. The impact of ethical procurement policies on businesses, particularly SMEs**
- 7.1 Ethical procurement is not a new concept. Many businesses and charities across different sectors already have a great deal of experience with the systems and processes to identify and deal with labour abuses in supply chains. Some sectors are more advanced in this respect than others.
- 7.2 Public, private and third sector organisations were consulted in the development of the Code. Key to its success will be a willingness for all organisations to learn from each other through sharing intelligence, data and experience.
- 7.3 The Code has been designed to be applied flexibly. Its accompanying guides provide useful examples of policies, procurement questions and contract terms which can be tailored to the needs of individual organisations and sectors. The Code includes guidance on implementation, which stresses that SMEs and other small organisations will not be expected to put measures in place as quickly as larger ones. The Code is also designed to be applied proportionately and over time. Signing up represents a commitment to take action to address the issues covered, not an indication that everything is already in place.
- 7.4 Whilst the benefits of signing up to the Code have not yet been measured as it was launched recently, there is plenty of evidence to suggest that responsible and ethical employment can deliver business benefits. Staff employed fairly are more engaged, and evidence suggests that productivity can increase, staff absence and turnover can be reduced and service quality improves when employment terms and conditions are improved, reducing stress for workers.
- 7.5 The National Procurement Service and Welsh Government will track supplier sign up to the Code through contracting activity and make this information available to the wider Welsh public sector.
- 7.6 Whilst there may be some upfront costs incurred by businesses in putting new processes in place, most of the issues covered relate to illegal, unlawful and unethical practices which should not be occurring. The Code is about putting systems in place to ensure that these practices are not present within supply chains.
- 7.7 The Welsh public sector is not alone in requiring its suppliers, regardless of size, to observe ethical procurement policies. Adoption of

these Wales ethical procurement approaches can help improve SMEs capability of winning private contracts and business further afield.

**8. Ethical procurement in the social care sector**

- 8.1 Much of the social care sector is characterised by low pay and insecure work and the Welsh Government has been working for some time to address these challenges.
- 8.2 Welsh Government has issued principles and guidance on the fair use of zero hours contracts arrangements in devolved public services following consideration of the issue by the Public Services Staff Commission. The Code of Practice on Ethical Employment in Supply Chains is consistent with this guidance.
- 8.3 The Welsh Government is currently analysing the responses to a consultation on proposals around the use of zero-hours contracts and protecting care time in the social care sector. A report will be published on this analysis. These proposals aim to increase certainty for staff, ensuring that employees will be able to choose to move onto a regularised contact after three months of employment. The proposals are also designed to improve the quality and continuity of care that people receive in their homes, through requiring providers to distinguish between travel time and service time when arranging services, ensuring that “call-clipping” is not taking place.
- 8.4 Although there is very little research evidence available on the impact of paying the Living Wage in social care, anecdotal evidence suggests that there are improvements in service standards and productivity and lower staff turnover where social care providers pay the Living Wage Foundation’s Living Wage. Welsh Government research commissioned through the Manchester Metropolitan University concluded that a well-trained, well-paid and secure workforce with appropriate working patterns has a direct relationship with our ability to recruit and retain care workers and to deliver high quality domiciliary care.

**Mark Drakeford AM**  
**Cabinet Secretary for Finance and Local Government**  
**September 2017**



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA - L/CS/0496/17

John Griffiths AM  
Chair  
Equalities, Local Government and Communities Committee  
National Assembly for Wales

12<sup>th</sup> September 2017

Dear John

### **ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) BILL**

I am writing to thank you and your colleagues on the Equalities, Local Government and Communities Committee for your consideration of the Abolition of the Right to Buy and Associated Rights (Wales) Bill during Stage 1 scrutiny.

I have considered the Committee's recommendations with a view to responding positively, to as many as possible, either through Government amendments or by other means, such as the provision of guidance. My response to the individual recommendations is set out below:

**Recommendation 1. We recommend that the Assembly supports the general principles of the Bill. One Member of the Committee did not agree.**

I welcome the Committee's support for the general principles of the Bill and their detailed scrutiny of the proposed legislation.

**Recommendation 2. We recommend that the Cabinet Secretary amends the Bill at Stage 2 to require the Welsh Ministers to provide other relevant organisations with a copy of the information document.**

I share the Committee's wish to ensure that all relevant organisations, such as advice services and tenants' bodies, have a copy of the information document when it's issued to social landlords. I accept the recommendation and will bring forward an amendment at Stage 2 accordingly.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



**Recommendation 3.** We recommend that the Cabinet Secretary amends the Bill at Stage 2 to specify the information that qualifying landlords must provide to all its relevant tenants in order to discharge their duties under section 8(3)(a). For example, the dates on which the restrictions and full abolition will take effect.

I accept the Committee's recommendation. I share the concern that some tenants may not be as well informed as others and I intend to bring forward an amendment at Stage 2 to specify the minimum information about the effects of the Bill which all social landlords must provide to tenants.

**Recommendation 4.** We recommend that the Cabinet Secretary makes provision in the Bill to ensure that qualifying landlords communicate the information required under section 8(3) to tenants in the most appropriate and accessible way to meet their varying needs.

I appreciate the Committee's concern that the Information for Tenants document should be made available to tenants in whatever ways necessary to meet their needs and I agree with the principle behind this recommendation.

However, I do not consider it necessary to make provision for this in the Bill as landlords are already very effective in engaging with their tenants. I included a question on appropriate and accessible communication with tenants as part of the consultation launched in July on the provision of information for tenants. I will also provide advice to social landlords on disseminating the information if the Bill is passed by the National Assembly.

**Recommendation 5.** We recommend that the Cabinet Secretary works with relevant advice services to monitor and review the impact of the Bill on demand for services with a view to providing additional financial support ahead of the abolition, if the need arises.

The Welsh Government will work with the advice services and monitor the impact of the Bill.

I do not anticipate the need for extra resources, but I am happy to keep this under review.

**Recommendation 6.** We recommend that the Cabinet Secretary tests the draft information document with tenants before it is finalised to ensure that it is fit for purpose.

I share the Committee's wish that the information document is as clear as possible to meet the needs of tenants and I launched a consultation on the document on 19 July.

As part of the consultation, Tenant Participation Advisory Service Cymru have hosted a series of tenant engagement events to gauge tenants' views and feed back the results to us. Following the consultation, we will consider the responses and amend the information document, as appropriate, to ensure it is fit for purpose.

In conclusion, I hope this letter is helpful in setting out the Welsh Government's response to the Committee's report and I would like to repeat my thanks to Members for their detailed consideration of the Bill.

Yours sincerely



**Carl Sargeant AC/AM**

Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children

Chair, Children, Young People and Education Committee  
Chair, Climate Change, Environment and Rural Affairs Committee  
Chair, Culture, Welsh Language and Communications Committee  
Chair, Economy, Infrastructure and Skills Committee  
Chair, Equality, Local Government and Communities Committee  
Chair, External Affairs and Additional Legislation Committee  
Chair, Health, Social Care and Sport Committee

20 July 2017

Dear Committee Chairs

## **Welsh Government Draft Budget 2018-19**

At our meeting on 19 July, the Finance Committee agreed its approach to the budget scrutiny. I am writing to all Chairs of subject committees to share our thinking, and to encourage your committees to consider how you can contribute to delivering the most coherent and effective scrutiny of the Government's spending plans.

As you will be aware this is the first year we will be scrutinising the draft budget under the revised Standing Orders and accompanying protocol. I discussed this with the Committee Chairs at the Chairs forum on 12 July.

### **Budget focus**

We have agreed to continue the approach followed in previous years, whereby budget scrutiny is centred on the four principles of financial scrutiny: affordability, prioritisation, value for money and process. The principles are:

- **Affordability** – to look at the big picture of total revenue and expenditure, and whether these are appropriately balanced;
- **Prioritisation** – whether the division of allocations between different sectors/programmes is justifiable and coherent;
- **Value for money** – Essentially, are public bodies spending their allocations well – economy, efficiency and effectiveness (i.e.) outcomes; and

- **Budget processes** – are they effective and accessible and whether there is integration between corporate and service planning and performance and financial management.

Following a stakeholder event in North Wales, we have identified a number of areas which we would like to see the focus of the scrutiny, these are:

- *Financing of local health boards and health and social care services*
- *Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)*
- *Sustainability of public services, innovation and service transformation*
- *Welsh Government policies to reduce poverty and mitigate welfare reform*
- *The Welsh Government’s planning and preparedness for Brexit*
- *How the Welsh Government should use new taxation and borrowing powers*
- *How evidence is driving Welsh Government priority setting and budget allocations*
- *How the Future Generations Act is influencing policy making*

We would encourage you to use some of these areas as the focus for your budget scrutiny.

### **Draft budget consultation**

As has been the previous practice, we will be undertaking a consultation on behalf of all Committees over the summer recess and the responses will be shared with you in the Autumn in order to assist your scrutiny of the draft budget.

### **Timetable**

As you will be aware by now the dates for the draft budget have been agreed and are:

- Outline Draft Budget Laid – 3 October
- Detailed Draft Budget Laid – 24 October
- Deadline for Finance Committee to Report – 28 November
- *Debate on the Draft Budget – 5 December*
- Annual Budget Motion tabled – 19 December



As you will be aware the provisions in relation to the reporting by policy committees has changed, and you are now able to report in your own right (if you so wish), and your reports can be used as a supporting document to the draft budget debate. As a Committee we are considering how we can maintain a strategic, oversight role of financial scrutiny, but in the meantime if you have any questions about any aspect of the draft budget process, please feel free to contact me or the Clerk to the Finance Committee, Bethan Davies, 0300 200 6372, [Bethan.Davies@assembly.Wales](mailto:Bethan.Davies@assembly.Wales)

Yours sincerely

A handwritten signature in black ink that reads "Simon Thomas". The signature is written in a cursive style with a large initial 'S' and 'T'.

**Simon Thomas**

**Chair**





University of  
**Salford**  
MANCHESTER



**SHUSU**  
SUSTAINABLE HOUSING  
& URBAN STUDIES UNIT

# Evaluation of DWP & Oxfam Livelihoods Training Project

## Interim Report

Dr Lisa Scullion, Dr Mark Wilding  
Katy Jones, Philip Martin

June 2017



**OXFAM**



Department  
for Work &  
Pensions

Adran Gwaith  
a Phensiynau

# Executive summary



## 1 Introduction

In August 2016, Oxfam Cymru in partnership with the Department for Work and Pensions (DWP) commissioned the Sustainable Housing & Urban Studies Unit (SHUSU) at the University of Salford to carry out an evaluation of the Livelihoods Training Project. The overall aim of the Project is to embed understandings of poverty within the DWP service across Wales, to enable DWP staff to better understand the needs of customers, and consequently be better placed to provide appropriate support and solutions to meet their needs. It is hoped that this more personalised approach will reduce the need for sanctions and improve outcomes in terms of sustainable employment. The Project aims to provide training to around 600 DWP staff across Wales by September 2017.

The evaluation is using a mixed-methods approach to document and evaluate the operation of the Project and its impact on DWP staff and customers, and participating community partners. The evaluation has three linked objectives:

1. To understand how the Project was delivered, assessing to what extent the Theory of Change for the Project was fulfilled, and the factors affecting success;
2. To set out the difference the Project made in terms of quantitative (statistically measurable) impact for key Project outcomes; and
3. To present an assessment of how the benefits of the Project relate to the costs.

This Interim Report provides an overview of some of the initial findings of the on-going evaluation. It is not our intention to present definitive findings; rather the purpose is to provide insights from the data collected to date to support the on-going delivery of the Project.

## 2 Methods

This Interim Report is informed by four key sources of data:

1. Facilitator notes: Analysis of flip-chart notes made by the training facilitator during each training session, which log key issues raised by participants in relation to use of the tools.
2. Surveys of DWP staff: This includes an Oxfam Post-Training Feedback questionnaire, distributed at the end of training sessions between 28th June 2016 and 31st January 2017 (200 anonymous responses fed into this report; a response rate of 97.09%); and a follow-up questionnaire administered by the DWP, up to six months after the training (27 anonymous responses).
3. Qualitative case study: The evaluation includes a case study in each Welsh district, to provide a more in depth understanding of the process and outcomes of the training. Within each case study, data is derived from semi-structured interviews with DWP customers and a focus group with DWP staff who have received the training. The findings in this interim report are based on

one case study comprising of seven DWP staff and five customers.

4. Consultation with a community partner: To date, a small number of community partners (approximately eight) are playing an important role in the Project and three organisations collaborate actively by volunteering on the Project and assisting in co-training, where possible. This Interim Report includes consultation with one community partner.

### 3 Findings

- Responses to the Oxfam administered survey were very positive and highlighted the immediate impact of the training.
- Overall, responses for the likelihood of being able to use the tools were positive (based upon a mean score of 6.74 out of 10).
- Responses relating to the effects of the training on awareness of poverty, supporting customers, and using livelihoods approaches at work were positive across the board and scores were clearly higher at the end of the training than at the start (there was a net gain of at least 2.5 points out of 10 for each question).
- A large majority of participants reported that, as a result of the training, they had new ideas on ways to support customers (87%), and that the tools were directly relevant for their job role (77%).
- After returning to work, participants reported the continued impact of the training on awareness of poverty in particular. Respondents also felt that the training had a positive impact on their work in terms of feeling more effective (7.25/10), interested in work (6.75/10), a sense of accomplishment (7.08/10), and they have subsequently recommended the training to colleagues (8.00/10).
- However, there was a big decrease in participants stating that they have been able to come up with new ideas and apply these ideas in their work. Several participants explained this was due to lack of time. The figures after returning to work

were 30% and 33%, respectively.

- Qualitative consultation with DWP staff highlighted a number of positive responses in relation to the training, particularly around the skills of the training facilitator and the post-training support, as well as the impact it had had on how they approached particular customers.
- However, some staff had yet to fully utilise the tools (despite the training taking place a few months ago).
- Time constraints and organisational barriers were highlighted as key issues impacting on the ability to use the tools. However, personal barriers were also relevant, whether that related to the confidence of staff or the perception that they would find it difficult to use on certain customers.
- Feedback suggested that 'buy in' from senior DWP staff would be vital for embedding the tools within current working practices.

### 4 Next steps

This Interim Report presents emerging findings from the data collected up to February 2017. The evaluation will be on-going until September 2017, at which point a full final evaluation report will be produced. The final evaluation report will incorporate the following data:

- The full DWP staff survey;
- A survey of DWP customers who are supported by staff who have received the training, to be compared with existing customer insights surveys undertaken by the DWP;
- Post-training questionnaires and facilitator notes;
- A minimum of three qualitative case studies, including consultation with both DWP staff and customers;
- Consultation with all community partners; and,
- Consultation with Oxfam and DWP staff responsible for the delivery of the Project.

The final evaluation report will provide a process, impact



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**SHUSU**  
**Sustainable Housing &**  
**Urban Studies Unit**

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Carl Sargeant AM  
Cabinet Secretary for Communities and Children

15 August 2017

Dear Carl

## Fire Safety in High-rise Blocks in Wales

Thank you for agreeing to give oral evidence to the Committee on 27 September. This follows on from our sessions on 13 July, where we took evidence from representatives of:

- The Fire and Rescue Services ('the FRS') in Wales;
- Professional bodies;
- Tenants;
- Local authorities; and
- Registered Social Landlords.

The sessions covered a wide range of issues, some of which are highlighted in this letter. There are also areas where we would appreciate further clarity from the Welsh Government.

### Public sector response following the Grenfell Tower fire

We were encouraged by the responsiveness of all the partners in Wales after the horrific fire at Grenfell Towers. We heard how social housing providers worked



closely with the FRS to provide reassurances to tenants and residents; and to check the safety of buildings.

Social housing providers told us that, broadly, the information and leadership provided by the Welsh Government had been effective and timely. In particular, we heard that the joint media briefing had been valuable in trying to dispel myths and ensure that events were reported accurately.

However, Swansea Council did flag up concerns about the information flow between themselves, the Welsh Government; the UK Government Department for Communities and Local Government; and the Building Research Establishment ('the BRE'). They indicated that this was also a source of frustration for the Welsh Government, and we would like to know if these issues have now been rectified. This is clearly still a live issue, as, at the time of writing, it is still unclear the implications of the whole system testing of the cladding materials by the BRE. Following the latest whole system testing results that were made available on 2 August, which the materials used at Newport City Homes did not pass, we would welcome further information on what support will be given to Newport City Homes, and any other landlord affected by future test results, by the Welsh Government.

We were also reassured by the statements from each of the Fire and Rescue Services that they had the capacity and equipment to deal with an equivalent event in Wales.

## Regulatory Reform (Fire Safety) Order 2005 ('the Order')

### *'Responsible person'*

We asked witnesses about the Order and its effectiveness. One of the issues raised by most witnesses was the definition in the Order of a 'responsible person'. As North Wales Fire and Rescue Services told us:



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“The limitation from my perspective is that of the person considered to be a responsible person. There is no specific qualification, accreditation or level of skill or knowledge defined in the legislation for that person.”

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This is a potential gap in the regulatory framework which underpins fire safety. It was clear that the landlords we spoke to take their responsibilities on this issue seriously, however, we know that in the private sector this may not always be the case. We believe that there is merit in exploring the feasibility of changes to the regulatory framework which would ensure that the ‘responsible person’ had to meet a minimum level of qualification, skills or relevant experience. We would welcome your views on this issue.

We appreciate that while the Assembly does not at the moment have legislative competence to amend the Order or issue new regulations, once the Wales Act 2017 has come into force the Assembly will have competence to make changes to the regulatory framework on fire safety.

Further to this issue, is a fundamental matter of FRS identifying who is the responsible person. While this seems unproblematic in the social housing sector, we heard that it becomes more complex in the private sector. This is of concern to us given fire safety is also of the utmost importance in the private sector. We would welcome your views on how this issue can be best addressed.

#### *Accompanying guidance*

A number of witnesses made reference to a review by the Welsh Government of the guidance that accompanies the Order; ‘Fire safety in purpose-built blocks of flats’. Witnesses believed that this review was almost complete. We would welcome an update on when the revised guidance will be issued, and if it will take account of any of the developments arising from Grenfell Tower.

#### *Primary fire authority*

Community Housing Cymru highlighted that their members have sometimes received different advice from each FRS. They proposed having a primary fire



authority for high-rise living, which would ensure consistent advice across Wales, as well as enabling that authority to develop a particular expertise in this area. They suggested having such a lead authority would have made it easier, in the aftermath of Grenfell, to get accurate data on high-rise blocks in Wales more quickly. We would welcome your views on this suggestion.

## Fire safety measures

A lot of the evidence focused on the:

- fire safety measures already in place within tower blocks in Wales;
- challenges faced by landlords to preserve adequate levels of fire protection; and
- further measures that could be taken.

### *Importance of preserving compartmentation*

This was a strong theme. We heard of the different ways that compartmentation can be reduced, often through small scale improvement works within individual flats. The FRS made clear that their responsibilities and enforcement powers stop at front doors for flats and that they are only responsible for communal areas. Dealing with any breaches within individual units, are a matter for the local authority. Are you confident that local authorities have the resources and skills to adequately assess and enforce fire safety requirements within individual flats?

Local authorities told us that dealing with modifications within flats was an issue for those flats that had been sold. A particular issue was leaseholders replacing their front door, which can have a significant adverse impact on ensuring fires do not spread beyond a single home.

Social landlords were confident that major refurbishment work did not impact on compartmentation, and fire safety more broadly. However, they did have concerns about the small scale, minor works that may be done by residents, or utility services such as telecommunications companies, who may not realise that very minor changes can impact on the compartmentation, and fire safety.



We would welcome your thoughts on how these issues can be best addressed.

### *Home Fire Safety Checks*

We were surprised to hear that some residents refused free home fire safety checks that were offered following the fire at Grenfell Tower. Although we understand that there may be a range of factors influencing this decision, including a general distrust of public bodies, or concerns that appliances may be taken away. The FRS highlighted the work of bodies such as Electrical Safety First, and called on manufacturers to be more proactive in dealing with recalls when issues arise with appliances.

We would be interested to know what more can be done to better encourage residents to take up home fire safety checks, and whether there is a need for more public information on fire risks within individual homes.

### *Retrofitting sprinklers and other remedial work*

We heard significant concerns from social landlords about the increasing cost of installing sprinkler systems into tower blocks, and other remedial work, such as the replacement of cladding, following the fire at Grenfell Tower. Landlords indicated that this was a result of increased demand across the UK. We are concerned that it will be a case of those who can pay the most will get this work done first, rather than a risk based approach of identifying where need is greatest. We would welcome more information on what discussions are taking place with the UK Government and industry on this, to ensure that social landlords are able to install the necessary safety measures at a price that is not artificially high, and in a timely fashion.

Concerns were also raised by tenant representatives that the most vulnerable in society will potentially have to pay for building failures at the most fundamental level, and questioned the fairness of this. We would like to know whether there will be any financial support offered to social landlords to ensure that tenants do



not have to finance the majority of the remedial work resulting from the fire at Grenfell Tower and the need for greater fire safety

Linked to this issue, we also heard a specific concern from Bron Afon and Merthyr Valleys Homes about the impact of restricting Housing Benefit in social housing to the local housing allowance (LHA) rate, which is lower than the rent that these housing associations currently charge. Merthyr Valleys Homes said that by 2019, when the proposal is expected to take effect, the gap could be around £7 a week. This will have an impact on their ability to ensure that the rent they receive covers the cost of fire safety measures. While acknowledging that this is a not a Welsh Government policy, we would like to know what discussions you have had with the UK Government on this issue and whether there are any actions the Welsh Government can take to mitigate the impact of restricting Housing Benefit in social housing to LHA rates, in particular in relation to ensuring the appropriate fire safety measures are put in place in tower blocks across Wales.

### Building Regulations 2010 (Regulations)

We touched on issues in relation to the Regulations and the Approved Documents which have been produced under the Regulations. It was noted that it is not a requirement (although it does happen sometimes due to good working relationships between parties) that the FRS be consulted on fire safety and compliance with the Regulations during the construction of high-rise flats. We would be grateful for your advice as to whether you will considering revising the statutory framework and/or the Approved Documents to require the involvement of the FRS in this process.

Also whether you intend to amend or overhaul the Regulations in relation to fire safety generally in high-rise flats (we acknowledge that although the Welsh Government has executive powers in this area, the Regulations will not be within the legislative competence of the National Assembly until the Wales Act 2017 comes into force).



We note that the UK Government announced on 28 July an independent review of building regulations and fire safety. In announcing the review, the UK Government stated that the review will work closely with the devolved administrations, we would welcome further information on how this review will interact with the work of the Welsh Government and the Welsh Fire Safety Advisory Group.

## External cladding

Flintshire Council highlighted that while the science and expertise about internal fire protection has been developed over a number of decades:

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“Externally, cladding and the types of systems that we’ve got now are quite a new science...it is a new science that maybe we haven’t got enough knowledge about...

...basically, we’re putting something on the outside of a building, and we’ve set light to a building from the external side, and yet, not from the inside. We’ve got good fire protection measures on the inside, generally, across most buildings, but we’re moving into a new science, a new area of technology, that maybe, collectively, a lot of people haven’t got a lot of knowledge about.

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It is possible this was a factor in the delay in moving to whole system testing, which we highlight earlier.

We also heard that while cladding might meet all standards and regulations when it is first fitted, its effectiveness can be reduced by aging, breaches of the cladding due to improvement work and the weather.

We feel that this would be an area that might benefit from closer consideration by the Welsh Fire Safety Advisory Group. We would be interested to know if the Welsh and UK Governments are looking to work with the BRE, industry and landlords to help improve understanding of cladding technology, and how it impacts on fire safety.





## Private sector

Our evidence focused on the social housing sector, but also touched on issues within the private sector, as we have highlighted earlier. We welcome the fact that the private sector is now represented on the Welsh Fire Safety Advisory Group and is covered in the terms of reference of the Group. We would like more information on how else you have engaged with the private sector (including, in particular, student accommodation, which is increasingly in high rise blocks privately owned and managed), and what, if any additional steps, you believe are necessary to ensure that levels of fire safety measures are comparable between the social and private sectors.

## Tenants and residents

We were encouraged by the activities of social landlords immediately following Grenfell to provide information, advice and reassurance to their tenants and residents. It was clear this was taken very seriously by all involved, and we commend this work.

But more broadly, we heard that there is a lack of formal support for tenants to challenge landlords. Though a lot of work has been done in helping tenants scrutinise and engage with landlords, Steve Clark from Welsh Tenants argued strongly there was a need for a national representative voice for tenants to externally challenge landlords.

Closely linked to this, was the increase of the private rented sector, which does not have the formal tenant engagement structures that are embedded in the social housing sector. Steve Clark suggested that not having a tenants' body nationally, undermines any attempts to help private tenants shape the development of this sector.

Does the Welsh Government agree that there is a gap in terms of a national representative tenant's body? If so, what can the Welsh Government do to help establish and support such a body?



*Advice to tenants and residents*

We explored with all witnesses the adequacy of the advice provided to residents, and in particular managing any change in advice in the event of a fire happening. We heard that it can be difficult to give advice that covers all possible eventualities, especially as every building, and every fire is different.

We would welcome the Welsh Government's view on the adequacy of advice given to tenants and residents, and how best changes in circumstances, in the unlikely event of a fire, can be best communicated to residents.


As I'm sure you can appreciate, this letter does not cover all of the issues that were raised during the session. For completeness, I enclose a copy of the transcript from the session on 13 July.

To help inform our session with you on 27 September, I would appreciate a response to this letter by 15 September.

I am sending a copy of this letter to the Climate Change, Environment and Rural Affairs Committee, along with our counterpart committees at Westminster and the Scottish Parliament, the Communities and Local Government Committee and the Local Government and Communities Committee (respectively).

I look forward to exploring these issues further with you both on 27 September.

Yours sincerely



John Griffiths AM  
Chair



Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau  
Equality, Local Government and Communities Committee  
ELGC(5)-25-17 Papur 11 / Paper 11

John Griffiths AM  
Chairperson, ELGC Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA.

8 August 2017

[John.Griffiths@assembly.wales](mailto:John.Griffiths@assembly.wales)

Dear John,

**Subject: Human rights in Wales**

We were pleased you were able to join us recently for our discussion with stakeholders about human rights priorities in Wales.

The event was part of the Commission's commitment to collaborate with others to develop a human rights action plan for Wales. A priority for this action plan is to embed human rights principles into public service delivery. We expect to be able to share this action plan with your Committee over the coming months, as we recognise the importance of your support in the development and promotion of the plan.

We also wanted to update you on discussions we have held since our oral evidence session with the Committee in April. At that session, our Wales Committee Chair June Milligan undertook to discuss with the Wales Committee our role in promoting children's rights in education settings in Wales. The Wales Committee discussed this matter at its recent meeting.

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

The Commission welcomes correspondence in Welsh or English.

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The Wales Committee believes we have the most impact when we work in partnership with others, such as the Children's Commissioner for Wales. For example, we have identified opportunities to work together with the Children's Commissioner on identity based bullying.

This has included providing advice on how to build the Public Sector Equality Duty into the recommendations of their recent report 'Sam's Report: listening to children and young people's experiences of bullying in Wales'.

We will be meeting again with the Children's Commissioner to discuss how we can play our part in the promotion of 'The Right Way: A Children's Rights Approach to Education in Wales'. This guide, recently launched by the Children's Commissioner, is about placing the Convention on the Rights of the Child at the core of a child's experience of education and at the core of school planning, teaching, decision-making, policies and practice. By working with the Children's Commissioner we will be able to address some of the concerns raised by your Committee. We are also engaging with the Welsh Government as it devises a new curriculum for Wales, due to be available by September 2018. We will continue to make the case that children's rights should be central to the curriculum in Wales.

Furthermore, in our role as the National Human Rights Institution for Great Britain, the Commission makes submissions to the UN Committee on the Rights of the Child about how children's rights are taken forward in Wales and across Britain. We have previously highlighted the crucial role of education in promoting the rights of the child. An updated submission we will be sending to the UN Committee later this year will re-iterate this point.

We look forward to working closely with your Committee when your Inquiry into human rights in Wales resumes in the autumn term. Your findings and recommendations will be crucial in helping to set priorities for human rights in Wales. It will be valuable if our action plan and your Inquiry's recommendations complement each other.

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

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Finally, following my recent appointment as Head of Wales at the Commission, I would welcome the opportunity to meet you to discuss the Human Rights Inquiry and other ways the Commission can provide advice to the Committee. I will be in touch with your office to see if a date can be found over the summer recess or in the new term.

Yours sincerely,

Ruth Coombs

**Ruth Coombs**

Pennaeth Cymru / Head of Wales

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

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8 Awst 2017

John Griffiths AC  
Cadeirydd, Pwyllgor ELGC  
Cynulliad Cenedlaethol Cymru  
Bae Caerdydd  
CF99 1NA.

## Pwnc: Hawliau Dynol yng Nghymru

Annwyl John,

Pleser oedd eich gweld yn ddiweddar yn ein trafodaeth gyda rhanddeiliaid ynglŷn â blaenoriaethau hawliau dynol yng Nghymru.

Roedd y digwyddiad yn rhan o ymrwymiad y Comisiwn i weithio ar y cyd ag eraill i lunio cynllun gweithredu hawliau dynol yng Nghymru. Blaenoriaeth y cynllun gweithredu hwn yw ymwreiddio egwyddorion hawliau dynol ym maes cyflenwi gwasanaeth cyhoeddus. Rydym yn disgwyl gallu rhannu'r cynllun gweithredu hwn gyda'ch Pwyllgor yn ystod y misoedd i ddod, gan ein bod yn cydnabod pwysigrwydd eich cefnogaeth wrth lunio a hybu'r cynllun.

Roeddem hefyd am roi'r newyddion diweddaraf i chi ar drafodaethau a gynhaliom ers ein sesiwn tystiolaeth lafar gyda'r Pwyllgor ym mis Ebrill. Yn y sesiwn honno, ymgwymerodd Cadeirydd ein Pwyllgor Cymru, June Milligan, â thrafodaeth gyda Phwyllgor Cymru ynglŷn â'n rôl wrth hybu hawliau dynol mewn

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

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Ileoliadau addysg yng Nghymru. Bu Pwyllgor Cymru'n trafod y mater hwn yn ei gyfarfod yn ddiweddar.

Mae Pwyllgor Cymru o'r farn bod gennym yr effaith fwyaf wrth inni weithio mewn partneriaeth ag eraill, megis Comisiynydd Plant Cymru. Er enghraifft, rydym wedi nodi cyfleoedd i weithio ar y cyd gyda'r Comisiynydd Plant ar fwlio ar sail hunaniaeth. Mae hyn wedi cynnwys darparu cyngor ar sut i gynnwys Dyletswydd Cydraddoldeb y Sector Cyhoeddus yn argymhellion eu hadroddiad diweddar 'Stori Sam: gwrando ar brofiadau plant a phobl ifanc o fwlio yng Nghymru'.

Byddwn yn cyfarfod eto â'r Comisiynydd Plant i drafod sut y gallwn chwarae ein rhan wrth hyrwyddo Y Ffordd Gywir: Dull gweithredu seiliedig ar Hawliau Plant i addysg yng Nghymru. Mae'r canllaw hwn, a lanswyd yn ddiweddar gan y Comisiynydd Plant, yn ymwneud â gosod y Confensiwn ar Hawliau'r Plentyn yn ganolog i brofiad addysg y plentyn ac i gynlluniau ysgolion, y dysgu, wrth wneud penderfyniadau, llunio polisiau a'r arfer. Drwy weithio gyda'r Comisiynydd Plant byddwn yn gallu mynd i'r afael â rhai pryderon a gododd eich Pwyllgor. Rydym hefyd yn ymgysylltu â Llywodraeth Cymru wrth iddi ddyfeisio cwricwlwm newydd i Gymru, sydd i fod ar gael erbyn mis Medi 2018. Byddwn yn parhau i ddadlau'r achos y dylai hawliau plant fod yn ganolog i'r cwricwlwm yng Nghymru.

At hynny, yn ein rôl fel y Sefydliad Hawliau Dynol Cenedlaethol i Brydain, bydd y Comisiwn yn cyflwyno cyflawniadau i Bwyllgor y CU ar Hawliau'r Plentyn ynglŷn â sut y caiff hawliau plant eu hybu yng Nghymru a ledled Prydain. Rydym yn flaenorol wedi amlygu rhan hollbwysig addysg wrth hyrwyddo hawliau'r plentyn. Bydd cyflwyniad â'r wybodaeth ddiweddaraf yr ydym yn ei anfon i Bwyllgor y CU yn ddiweddarach eleni yn ail bwysleisio'r pwynt hwn.

Rydym yn edrych ymlaen at weithio'n agos gyda'ch Pwyllgor pan fydd eich Ymchwiliad i hawliau dynol yng Nghymru yn ail gychwyn yn yr Hydref. Bydd eich canfyddiadau a'ch argymhellion yn hanfodol wrth helpu i osod blaenoriaethau ar gyfer hawliau dynol yng Nghymru. Os bydd ein cynllun gweithredu ac argymhellion eich Ymchwiliad yn ategu ei gilydd, bydd hynny'n werthfawr iawn.

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

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Yn olaf, yn dilyn fy mhenodiad diweddar fel Pennaeth Cymru yn y Comisiwn yng Nghymru, byddwn yn croesawu'r cyfle i gwrdd â chi i drafod yr Ymchwiliad Hawliau Dynol a ffyrdd eraill y gall y Comisiwn ddarparu cyngor i'r Pwyllgor. Gwnaf gysylltu â'ch swyddfa i weld a ellir dod o hyd i ddyddiad dros doriad yr haf neu yn y tymor newydd.

Yr eiddoch yn ddiffuant,

Ruth Coombs

Pennaeth Cymru,

Comisiwn Cydraddoldeb a Hawliau Dynol.

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Bydd y Comisiwn yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg.

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## Agenda Item 5.6

Committee Chairs  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

18 August 2017

Dear Committee Chair

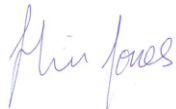
### Implementation of the Wales Act 2017

Thank you for the consideration by your Committee of the Secretary of State for Wales' consultation on the above.

Please find attached my response to the Secretary of State for Wales. In light of comments received from the Finance Committee and discussions with Welsh Government officials, I have suggested changing the day on which the reserved powers model will come into effect from 6 April 2018 to 1 April 2018, to coincide with the date on which the new devolved taxes will come on stream. The Secretary of State for Wales will specify the Principal Appointed Day in Regulations.

I will keep you informed of any further correspondence from the Secretary of State for Wales on this matter.

Yours sincerely



Elin Jones AM  
Llywydd

Enc



**Elin Jones AC, Llywydd**

Cynulliad Cenedlaethol Cymru

**Elin Jones AM, Presiding Officer**

National Assembly for Wales

The Rt Hon Alun Cairns MP  
Secretary of State for Wales  
1 Caspian Point  
Caspian Way  
Cardiff Bay  
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Your ref: 250SUB 17  
Our ref: PO210/EJ/HG

18 August 2017

Dear Alun

Thank you for your letter dated 10 July proposing 6 April 2018 as the Principal Appointed Day on which the reserved powers model for Wales will come into effect.

I have considered the proposals you put forward, and consulted the Assembly's committees. On this basis, I agree with you that the new arrangements should come into effect in April 2018 on the same date as the new devolved taxes take effect - the Land Transaction Tax and Landfill Disposals Tax. I am advised that this will happen on 1 April 2018. I would therefore suggest that the PAD should be 1 April 2018. This would mean that the reserved powers model would come into effect on Easter Sunday.

You also indicated in your letter that your officials were considering whether the two year parliamentary session would give rise to any implications for the Legislative Consent Motions which might be required. I look forward to receiving this further information in due course.

Yours sincerely

Elin Jones AM  
Llywydd

cc Chairs of Assembly Committees

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English

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**Pack Page 85**



Welsh Refugee Coalition  
c/o Ethnic Youth Support Team  
Units B & C  
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18 August 2017

John Griffiths AM  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

*Dear Mr Griffiths*

I am writing as chair of the Welsh Refugee Coalition in follow up to the ELGC Committee's 'I used to be someone' report. The Coalition is delighted that your Committee focused on so many of the important issues affecting asylum seekers and refugees and recommended concrete steps to make Wales a 'Nation of Sanctuary'.

Following an all-Wales conference in April we have formed a Nation of Sanctuary Steering Group, chaired by Rebecca Scott, to make that idea a reality, working with the voluntary sector, Welsh and local Government, local health boards and other service providers, communities and the private sector. Following your recommendation 12, and as one of the 'seven steps' to sanctuary, the Coalition are also formulating proposals for practical steps to tackle destitution in Wales.

Finance is obviously critical in any re-invigorated approach and we welcome your assurance at the Report's launch that your committee would be scrutinising the relevant spending lines throughout the forthcoming Welsh Government budget negotiations.

Some of the key costs arising from your committee's recommendations include support to expand ESOL provision, fund university fees, expand the role of community cohesion co-ordinators, address needs in mental health, of the destitute and of unaccompanied asylum seeking children and ensuring (the re-named) Asylum Rights programme has sufficient provision of legal advice and mental health support.

We would like the next Welsh Refugee and Asylum Seeker Delivery Plan to be co-produced with those involved, especially refugees and asylum seekers themselves, and welcome Mark Drakeford's support for co-production as one of the most exciting opportunities we have to bring together the knowledge, experience and contributions of those who work in our public services and those who use them. The level of engagement required would affect the speed with which the plan could be developed, but we believe that if genuine partnership can be achieved this will yield substantial benefits in terms of long-term impact and buy-in from a wide range of partners in Wales. I am pleased to report there is positive engagement between civil servants working on the Delivery Plan revision and Coalition members to further this ambition.

Your continuing support on the above issues is clearly critical. Can I suggest a meeting to discuss how your Committee will be following up your report over the Summer and Autumn and any suggestions you may have on how the Coalition and its project teams could work with you to best effect?

Yours sincerely

*Rocio Cifuentes*

Rocio Cifuentes  
Chair, Welsh Refugee Coalition

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