

**Ken Skates AC/AM**

**Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth**

**Cabinet Secretary for Economy and Transport**



**Llywodraeth Cymru  
Welsh Government**

John Griffiths AM

Chair

Equality, Local Government and Communities Committee

7 March 2018

Dear *John,*

I am writing following the scrutiny session of the Equality, Local Government and Communities Committee on 25<sup>th</sup> January to provide further information on the following points which I will address in turn:

- The activity across Welsh Government in its approach to securing commitments from employers in return for sectoral support;
- The role of women in households receiving Universal Credit, following consultation with the Cabinet Secretary for Finance and the Minister for Housing and Regeneration.

The Economic Contract is central to the delivery of the approach to economic development as set out in the Economic Action Plan. We will use the Economic Contract to frame a new and more dynamic relationship with business which will recognise those businesses already taking steps to adopt responsible business and employment practices and where we encourage and support others to take a similar path.

Through the Contract, we will not only influence what business does, but also challenge ourselves to work differently and have more meaningful and dynamic interactions with the business community on wider issues like health and skills in the workplace, decarbonisation and fair work.

A dialogue with businesses and others is ongoing to determine the full nature of the Economic Contract and in particular to arrive at a definitive position on what we mean by each criteria and importantly the ways in which a business can demonstrate compliance. We want to build as much consensus as we can into this process and prior to launching the Economic Contract early in the new financial year.

One of the specific enquiries related to families who were eligible for Universal Credit, and whether there had been any correspondence from the Welsh Government to the UK Government on the importance of women being the default recipients of Universal Credit.

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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.

The Welsh Government has repeatedly and strongly expressed its concerns to the UK Government, calling for a halt to the roll out of Universal Credit until such time as the many and significant issues have been addressed. These major flaws are having a widespread adverse impact on vulnerable people.

The Welsh Government has not specifically raised the issue of women being the default recipients of Universal Credit. The Department for Work and Pensions (DWP) welfare benefit rules do not distinguish between different genders. Universal Credit is normally paid monthly into one bank account of the claimant's choice, however, there is an option for claimants who are a couple to request split payments via Alternative Payment Arrangements. The Welsh Government is keen to see all Universal Credit claimants being proactively offered an informed choice of how they receive their Universal Credit payment, through the DWP's Alternative Payment Arrangements.

Rebecca Evans AM, the Minister for Housing & Regeneration has already written to Esther McVey MP, Secretary of State for Work and Pensions seeking her consideration on how Universal Credit claimants can be better informed of the payment options available to them. A partnership working group is to be established between Welsh Government and the DWP looking at how individuals and families who require extra help can best be supported with Universal Credit.

*Yours ever,*

*Ken*

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