

Introduction

- 1.1 Shaw Trust is a charity helping to transform the lives of young people and adults across the UK and internationally. With around 4,000 staff and 1,000 volunteers we provide joined-up services to help people gain an education, enter work, develop their career, improve their wellbeing or rebuild their lives. As a charity we add value to every service we deliver by investing back into the people and communities we support.
- 1.2 Shaw Trust has been delivering services in Wales for over 35 years and continues to have a strong presence in the country. Our Disability Action Centre, where our accessibility services team are based, is located in Neath. We have social enterprise shops across south Wales and we have previously delivered the UK government's Work Choice scheme for people with health problems and disabilities across Wales. Through Prospects, now part of the Shaw Trust Group, we deliver a Youth Apprenticeship Service for schools in Wales, this targets children and young people from primary and secondary schools with a range of innovative activities to increase awareness of entrepreneurship. We also run two annual Skills Cymru conferences which attract more than 10,000 young people inspiring and motivating them to consider the opportunities available across Wales. Shaw Trust runs a number of devolved and local employment support programmes that are designed to meet local labour markets such as the Big Lottery Cymru, 50+ Big Ideas and AskSARA in Newport that is also now expanding to be pan-Gwent.

2. Executive Summary

- 2.1 Shaw Trust believe devolving the benefits system, or aspects of the benefits system to Wales, could give Welsh Government the opportunity to introduce a person-centred social security service. It could be effectively aligned with other services such as health and social care, housing, employment and other local services that would be easier to achieve than across the UK as a whole. We see how the devolution of benefits could help meet the objectives of the Welsh Government by improving access, equality, equity of opportunity and prosperity for all as laid out in the *'Prosperity for All: economic action plan'*¹. However, if this is to be done, the complexity of changing the system must be recognised and key lessons must be learned both from the roll out of Universal Credit, and the devolution of benefits in Scotland.

¹ <https://gov.wales/sites/default/files/publications/2019-02/prosperity-for-all-economic-action-plan.pdf>

2.2 In addition, we would note that a benefit system must be backed up by holistic health and well-being support for claimants covering a number of life areas, including employability support. Some of the recommendations we make in this submission, include the following:

- Devolving the benefits system in Wales is an opportunity to create a holistic, person centred system that delivers on Wales's '*Prosperity for all*' agenda. However, in order to achieve this, we recommend that an inquiry should first be commissioned in Wales looking at the lessons learned from benefit devolution in Scotland and the roll out of Universal Credit (UC).
- If the Welsh Government does undertake significant changes to the benefits system in Wales it is vital they actively consult with disabled people and their representative organisations and base it on a process of co-production with disabled people to ensure benefit services are fully accessible.
- If more power over the benefit system and its delivery is devolved to Wales, the Welsh Government should conduct research with Welsh benefit claimants to consider whether returning to fortnightly payments of benefits would be beneficial.
- Even if there is no devolution of benefits to Wales, the Welsh Government should still consider researching the impact UC is having on benefit claimants in Wales and consider whether there is administrative action they can take to help mitigate any negative impacts found.
- Any devolved benefit delivery system in Wales must be designed in alignment with holistic, tailored health, well-being and employment support.
- The problem of disability employment, and long term unemployment, spans multiple government departments and levels. The response to benefit devolution should have equal institutional breadth, and align with other services. In this context, we very much welcome the broad, cross government approach taken by Wales's '*Action on disability; the right to independent living strategy*². The Welsh Government's approach should take a similar cross government approach to devolving benefits in conjunction with holistic employment support.
- The Welsh Government should continue to call for the devolution of the Shared Prosperity Fund (SPF) to Wales. If the SPF is devolved, the same amount of funding available under the European Social Fund (ESF) should be ring-fenced specifically for future social programmes for disabled people and others with complex needs.

3. Devolution opportunities and challenges

² <https://gov.wales/sites/default/files/consultations/2018-10/181018-action-on-disability-consultation-v1.pdf>

- 3.1 We believe the devolution of the benefits system to Wales would bring both opportunities and challenges to the Welsh government, but if done well, it could have wide ranging positive impacts for Wales. But with social security payments totalling approximately £10bn in Wales every year, coupled with the introduction of Universal Credit, devolution will be complicated.
- 3.2 This complexity is further heightened by the fact the number of jobseekers claiming out-of-work benefits in Wales may well continue to increase even if unemployment continues to fall, due to UC requirements meaning more people are expected to look for work than was the case on JSA³. As stated by the Bevan Foundation, “understanding who is claiming out-of-work benefits is key [to] understanding poverty in Wales”⁴.
- 3.3 Our experience of working with devolved administrations and local government highlights that devolution, aligned with national targets, can create new employment and skills opportunities in the devolved countries, regions and local areas. The Welsh government, together with local councils, have the power to truly integrate and join up services – creating local solutions to local problems. However, at the same time, we would highlight that national targets remain important in order to address issues such as the disability employment gap, and preventing postcode lotteries by ensuring a minimum standard for employment and skills support.
- 3.4 Wales has the opportunity to introduce a person-centred social security service aligned with other services such as health and social care, housing, and employment support. Such an approach would be consistent with the Wellbeing of Future Generations (Wales) Act 2015 which gives a legal obligation to improve the social, cultural, environmental and economic wellbeing of the people and communities across Wales. The new system could be tailored specifically to the needs of Wales.
- 3.5 We are mindful of the experiences of devolving benefits and employment in Scotland and believe it is important that the Welsh Government learn from Scotland’s experiences before attempting to devolve the benefits system to Wales. The Scottish Government’s report, *‘No-one left behind: Review of employability services research of users and providers’* is a useful guide for the Welsh Government to consider in regards to this agenda⁵.
- 3.6 The *‘No-one left behind’* report correlates with Shaw Trust’s experience of delivering employment support services, in that it highlights that many people seeking employment face multiple, complex barriers including drug addiction, disability, mental health issues, homelessness, caring responsibilities, low self-esteem, poverty and poor educational attainment. It is essential therefore;

³ Bevan Foundation, State of Wales Briefing on Out of Work Benefits, March 2019

⁴ Bevan Foundation, State of Wales Briefing on Out of Work Benefits, March 2019

⁵ <https://www.gov.scot/publications/one-left-behind-review-employability-services/>

any devolved benefit system in Wales shows an understanding of these factors and looks to mitigate them through holistic, tailored support. As discussed later in this submission, the benefits system must be seen in conjunction with employment support offers.

4. Practical considerations and principles to be mindful of if benefits are devolved

- 4.1 If the delivery of benefits, or aspects of the delivery, is devolved to the Welsh Government, there are many principles and learnings that should be taken on board from the roll out of UC across the UK. Research Shaw Trust has conducted research on UC through focus groups with our frontline staff, and this research shows there are some specific issues which Welsh Government should be mindful of.
- 4.2 Our focus groups illustrated that the transition to UC from legacy benefits has been stressful for some participants on our programmes, partly due to the uncertainty the change brings. It has led to increased anxiety for some participants even before they have transitioned onto the new benefit. We suggest that if the Welsh Government were considering radical changes to benefit delivery in Wales, they must take into account the impact changes in the system can have on claimants, especially those who are vulnerable.
- 4.3 We are pleased to see the Welsh Government's *Action on Disability Plan* show support for the Social Model of disability, and that the Welsh Government is taking seriously its obligations under the UN Convention on the Rights of Disabled People (UNCRDP)⁶. If the Welsh Government does undertake significant changes to benefits delivery, it is vital they actively consult with disabled people and disability organisations as outlined in Article 4.3 of the UNCRDP.
- 4.4 Another major consideration that must be taken into account in any devolution of benefits is the issue of digital exclusion and the impact this is having on benefit delivery. This is particularly the case for disabled people, as well as people living in rural areas. While digital technology has potential to transform lives of disabled people, they are more excluded from technology than the general population. For example, 25% of disabled adults have never used the internet, compared to 6% of non-disabled adults⁷. As well as seriously undermining the employability of disabled people, a lack of digital skills also creates barriers to the UC online system for disabled people. We have found people on our programmes with disabilities, older people and people living in rural areas struggle to access their UC online accounts. This prevents them

⁶ <https://gov.wales/action-disability-right-independent-living>

⁷ Office of National Statistics study cited in *Extra Cost Commission Progress Review, October 2016*: www.scope.org.uk/Scope/media/Documents/Publication%20Directory/Extra-Costs-Commission-Progress-Review.pdf

from accessing messages from the Work Coaches and recording job search activity, which can lead to people missing appointments and facing sanctions.

- 4.5 If the Welsh Government were to have greater control of benefit delivery in Wales, there is opportunity to create a new system, or tailor the current one, to make it more accessible to disabled people. Key to this would be by conducting 'user journeys' with customers with different types of disability and health conditions (e.g. to test easy read versions for people with learning disabilities, screen readers large and clearly contrasting text for blind and partially sighted people and subtitling and sign language for deaf and hard of hearing people⁸). It is very important that this process is based on co-production of the system with disabled people, and their representative groups, to make sure disabled people's voices are heard and to ensure benefit services are fully accessible, based on the needs and lived experiences of disabled people. For example, our user feedback through surveys suggests there should also be alternatives for people who continue to struggle with using online UC accounts. For example, Work Coaches phoning customers to make appointments, and capturing customer records on paper.
- 4.6 Even if further powers are not devolved to Wales, there is scope for the Welsh Government to improve digital literacy across Wales, which will both help mitigate any potential impacts which UC may have on some claimants, and boost the employability prospects for jobseekers. We are pleased to see the Welsh Government's *Digital Inclusion Framework* and delivery plan, and we fully support the intentions outlined in this plan. The plan identifies that disabled people are one of the groups of people most likely to be digitally excluded; digital exclusion amongst disabled people in Wales (38%) is double the figure for all adults (19%)⁹.
- 4.7 One of the biggest issues to arise from the focus groups we have conducted with our frontline staff, is that a significant amount of UC claimants are struggling with budgeting and finance issues, primarily due to the longer payment windows in the new system. This can lead to a host of spiralling consequences. If the Welsh Government is to have more power over the benefits system and its delivery, they should consider shortening the initial wait period for the first UC payment and shortening the length of regular payments. But this should be done following research with Welsh claimants to assess whether returning to fortnightly payments of benefits would be beneficial. Whether payments are made monthly or fortnightly, it will be crucial that benefit claimants are able to access the Universal Support that the system is supposed to provide that helps them manage their finances.

⁸ Shaw Trust's Accessibility Services team can offer expert advice to improve the accessibility of their websites and digital footprints. We can offer an initial online audit and consultation free of charge.

⁹ <https://gov.wales/docs/dsijl/publications/comm/160316-digital-inclusion-strategic-framework-en.pdf>

- 4.8 Even if UC is not devolved to Wales we would encourage the Welsh Government to continue researching and monitoring the impact UC may be having on benefit claimants in Wales, in particular disabled people, with the intention of identifying and implementing administrative changes which may help reduce any negative impacts identified .

5. Employment Support and benefit devolution

- 5.1 It is essential that any benefit delivery system not only offers a safety net for claimants, but also offers appropriate support to help them progress into sustained work (for those claimants for whom work is possible). Any devolved benefit delivery system in Wales should be designed in alignment with the holistic, tailored well-being and employment support.
- 5.2 Employment plays an important role in promoting people's independence, confidence, health and wellbeing. Yet only 45% of working age disabled people in Wales are in employment in comparison to 80% of those who are not disabled¹⁰. We are pleased to see one of the Welsh Government's primary aims is to move towards an enabling and inclusive society; one where opportunities exist for all¹¹.
- 5.3 It is important to recognise that factors impacting on the employment of disabled people, and the problem of long term unemployment, span multiple departments and levels of government. The response to this policy issue should have equal institutional breadth, and any benefit system should recognise the need to align with other services. In this context, we very much welcome the broad, cross government approach taken by the '*Action on disability; the right to independent living strategy*'¹². The Welsh Government should take a similarly broad, cross government approach to benefit devolution, and do so in conjunction with holistic, tailored well-being and employment support.
- 5.4 Shaw Trust advocates the important role that third sector organisations can and should play in supporting disabled and other long term unemployed people into work. We know through our own delivery of employment services, that charities can deliver the same, if not stronger performance, on employment support contracts than the private sector. Additionally, charities invest the surpluses they make back into the communities and services they support, enhancing value for money for the taxpayer.
- 5.5 With regards to both benefits delivery and employment support, travelling long distances, especially for disabled people and those with caring

¹⁰ <https://gov.wales/sites/default/files/publications/2018-11/inclusive-apprenticeships-disability-action-plan-for-apprenticeships-2018-21-1.pdf>

¹¹ <https://gov.wales/sites/default/files/publications/2018-11/inclusive-apprenticeships-disability-action-plan-for-apprenticeships-2018-21-1.pdf>

¹² <https://gov.wales/sites/default/files/consultations/2018-10/181018-action-on-disability-consultation-v1.pdf>

responsibilities, creates extra barriers that are aggravated particularly in rural areas where the cost and lack of public transport can be prohibitive. The rural nature of some of Wales means that public transport accessibility especially for disabled people can be a major issue. It is vital that this is considered in regards to the physical location of Jobcentres, and their outreach facilities in communities. Additionally, it demonstrates the importance of good and accessible transport. As laid out in the *Welsh Transport Strategy*, Community Transport plays an especially important role in helping older and disabled people with accessibility needs¹³. 84% of Community Transport organisations in Wales stated that their service users include disabled people¹⁴. It is therefore vital that the Welsh Government continue to support Community Transport initiatives. Devolving benefits offers the opportunity to create local solutions to local issues, for example supporting Community Transport initiatives that help people travel to local Jobcentres.

6. The Shared Prosperity Fund

- 6.1 We would suggest that the effectiveness of devolution of benefits to Wales could be further strengthened by the devolution of the UK Shared Prosperity Fund (SPF). The SPF is the successor to the European Social Fund (ESF). The ESF in Wales helps some of the most disadvantaged people, who are often ignored by other funding programmes, to achieve positive outcomes. Without ESF, Shaw Trust would not have supported 70,000 disabled people and people with multiple, complex needs such as ex-offenders and armed forces veterans to gain new skills, improve their wellbeing and find work, over the past few years. We are urging the UK government to ensure that the successor to ESF – the SPF – has ring-fenced funding for social programmes in the future.
- 6.2 We are concerned that, at the time of writing, the consultation on the SPF has not been published despite confirmations it would be published before the end of 2018. We support calls for the SPF to be managed in Wales¹⁵. This is predominantly because the Welsh Government has successfully administered ESF in Wales, has the best overview of the deprived and disadvantaged communities for whom the fund will be most beneficial, and has partnerships and relationships already in place. Furthermore, if benefits are devolved to Wales, there is a real opportunity for the Welsh Government to align benefit delivery with support programmes funded by the SPF. If the SPF is devolved to the Welsh Government, we would like to see the same level of funding as under ESF ring-fenced specifically for future social programmes for disabled people and others with complex needs.

¹³ <https://gov.wales/sites/default/files/publications/2017-12/national-transport-finance-plan-2017-update.pdf>

¹⁴ <http://www.assembly.wales/research%20documents/16-021%20-%20community%20transport/16-021-web-final-english.pdf>

¹⁵ https://d3n8a8pro7vhmx.cloudfront.net/plaid2016/pages/7899/attachments/original/1553193058/Not_a_Penny_Less_Final.pdf?1553193058

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