



Ein cyf / Our ref: MA-P/KS/0098/17

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

17 January 2017

*Dear John,*

Thank you for your letter of 16 December requesting written evidence ahead of my appearance before the Equality, Local Government and Communities Committee on 8 February. I enclose an evidence paper on poverty for your consideration.

In your letter, you requested an update on the key themes from the previous enquiry into poverty made by the Communities, Equality and Local Government Committee (CELG) and an update on the recommendations set out in the legacy report of the Fourth Assembly Committee. You also asked for a summary of the Welsh Government's position on six key areas – these being: poverty and welfare reform; in-work poverty; EU funding and tackling poverty programmes; child poverty; the monitoring and evaluation of the Welsh Government's existing anti-poverty strategies; and the role of local government in tackling poverty. Information on these is provided in an annex to the evidence paper.

During my evidence session at Committee, I will be happy to cover our strategic approach to tackling poverty and the direction being taken in my own department to promote economic opportunity for all. However, it would not be appropriate for me to answer specific questions regarding the policies and programmes which sit within the portfolios of other Cabinet Secretaries and Ministers. This also applies in relation to previous CELG recommendations and key themes from Committee's legacy report, where these fall to other portfolios.

The Welsh Government has adopted a whole government approach to tackling poverty. The Committee may wish to invite other Cabinet Secretaries and Ministers to provide further

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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.

detail on specific actions to tackle poverty and improve the outcomes of low income households.

With your permission, I would like to make an opening statement during my appearance before Committee, which will put my evidence in context.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', written in a cursive style.

**Ken Skates AC/AM**

Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith  
Cabinet Secretary for Economy and Infrastructure

## **Evidence Paper on Poverty: Equality, Local Government and Communities Committee**

This evidence paper sets out the Welsh Government's strategic approach to creating a fairer Wales with greater opportunities for all and provides an update for members of the Equality, Local Government and Communities Committee.

Creating a strong economy which delivers prosperity and security for individuals, families and communities in Wales remains a key priority for Welsh Government. Following the election in June 2016, the First Minister reiterated the Welsh Government's "commitment to a Welsh economy which delivers fairness and opportunity".

The Welsh Government remains fully committed to using all available levers to improve outcomes for all. While the Cabinet Secretary for Economy and Infrastructure has responsibility for the coordination of cross-cutting measures to promote economic opportunity for all, tackling poverty is the responsibility of every Cabinet Secretary and every Minister. This approach will ensure a truly cross-cutting drive to deliver a more equal Wales.

Focussing on the promotion of economic prosperity for all – and recognising the lead role of the Cabinet Secretary for Economy and Infrastructure – is a fundamental strength to our approach. It reflects a shift in direction for the Welsh Government and its approach to poverty. It recognises the critical role that a strong economy and access to employment opportunities play in tackling the root causes of poverty and reducing inequalities in Wales. This change in direction fully recognises that a key driver for taking people out of poverty, and the strongest lever to support economic prosperity, is a strong economy.

*Taking Wales Forward* confirms the Welsh Government's focus on increasing prosperity and reducing inequalities. It sets out how the Welsh Government will deliver more and better jobs through a stronger and fairer economy, will improve and reform our public services, and will build a united, connected and sustainable Wales.

*Taking Wales Forward* will be underpinned by four strategies: Prosperous and Secure, United and Connected, Ambitious and Learning, and Healthy and Active. The ambition behind all of these strategies is to support individuals to do well. Our approach to sustainable development will, as outlined in *Taking Wales Forward*, ensure better jobs closer to home, reduce the barriers people face to entering, remaining and progressing in employment and do what we can to maximise people's incomes.

In its 2015 Child Poverty Strategy, the Welsh Government recognised the fundamental role of jobs and growth in tackling poverty – and the importance of aligning the poverty agenda to an economic strategy for Wales. It included two new objectives for tackling poverty. These are: to use all available levers to create a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales; and to support families living in poverty to increase their household income. Our work on the economy will drive forward progress in relation to both of these objectives.

Responsibilities which sit within the Economy and Infrastructure portfolio are central to the Welsh Government's approach to promoting prosperity and tackling poverty. These include the focus on decent jobs that pay well, skills, infrastructure and connectivity.

The Cabinet Secretary for Economy and Infrastructure will work with other Cabinet Secretaries and Ministers on issues including the living wage, increasing employability, and maximising the benefits we get from public procurement, through major projects and initiatives such as the Metro. This includes initiatives such as the development of a Code of Practice on Ethical Employment in Supply Chains.

Other levers that sit with the Cabinet Secretary for the Economy and Infrastructure include business support and the promotion of responsible business practices. These levers are particularly important to addressing the issue of in-work poverty in Wales, along with a focus on employability, skills and progression and working with employers and the private sector.

We know that employment provides the most sustainable route out of poverty. Employment in Wales is close to a record high and we are outperforming all other parts of the UK with the sharpest declining rate of unemployment over the past 12 months. Welsh Government action during the last administration created and sustained nearly 150,000 jobs. However, we know we need to do more to support the creation and retention of jobs that allow those in poverty to engage in a positive way with the labour market.

The Welsh Government's 2016 Progress Report on Child Poverty (published in December 2016) recognised the action that has been taken in Wales to support businesses, stimulate investment, promote growth and to create and retain jobs. This has included start up and finance support, targeted business rate relief schemes and the development of a strong property and land offer. We will continue to ensure that those in (or at risk of) poverty benefit from opportunities realised from economic growth. We will continue to work with businesses to support job creation and deliver greater financial security for businesses and individuals across Wales. We will also consider further opportunities to integrate and promote the importance of responsible business activity. This includes working with anchor companies across a range of sectors to maximise opportunities for jobs and growth both within their own organisations and through their supply chain.

Alongside the drive to improve economic prosperity for all, other Cabinet Secretaries and Ministers are focusing on other key outcomes directly relevant to the poverty agenda – and they retain responsibility for specific aspects of policy and delivery. This includes those policies and programmes focussing on preventing poverty and using all available levers to improve outcomes in the early years, increasing attainment and reducing educational inequalities, reducing the number of young people who are not in education, employment and training (NEET), reducing worklessness, reducing health inequalities across a range of different outcomes, providing affordable and accessible housing, regenerating local communities and using public procurement and taking a community benefits approach to all Welsh Government investment. Other Cabinet Secretaries and Ministers will be able to

provide further details to the Equality, Local Government and Communities Committee on the specific elements relevant to their portfolios.

The objectives of 2015 Child Poverty Strategy and the priorities identified in the Welsh Government's previous Tackling Poverty Action Plan continue to drive the agenda. Welsh Government also remains fully committed to the development and delivery of evidence based policy – and work has been taken forward to further our understanding of the characteristics of low income households in Wales. This includes having new questions in the National Survey for Wales on material deprivation and food poverty, and conducting additional analysis of Households Below Average Income (HBAI) data for Wales and the Annual Population Survey. In addition, the Welsh Government's Housing Condition Evidence Programme includes a survey of housing conditions across Wales in 2017-18, as well as modelling and analysis work on housing conditions and fuel poverty.

Our previous Tackling Poverty Action Plan covered the period 2012 to 2016. The Welsh Government's commitment to provide prosperity and opportunity for all will be delivered through the four strategies underpinning *Taking Wales Forward*. We will engage and consult with external stakeholders as we continue to develop and implement our approach to tackling poverty – and this will continue throughout the lifetime of this Government.

We know that poverty in Wales remains stubbornly high and may well increase over the next five years. The IFS has projected that relative child poverty in the UK (before housing costs) will rise from 17.1 percent in 2013/14 (2.3 million children) to 25.7 percent (or 3.6 million children) in 2020-21. This will be partly due to the impact on household incomes of changes in UK government policy. According to the latest HBAI data, an estimated 29 per cent of children, 22 per cent of working age adults and 17 per cent of pensioners were living in relative income poverty (where relative poverty is taken to be an income below 60 per cent of the UK median) for the three-year average 2012-13 to 2014-15, after housing costs have been deducted. Nonetheless, important progress is being made in other key areas: Employment in Wales is close to a record high and the number of children living in workless households is at a record low. We have also reduced the gap in educational attainment between pupils eligible for Free School Meals (eFSM) and those who are not – and exceeded our target for eFSM pupils achieving the expected level at Foundation Phase. It is critical that we continue to focus on the key levers we have at our disposal in Wales – in relation to building a strong economy, improving prosperity and increasing people's participation in the labour market. In so doing, we stand a better chance of making a difference.

Annex 1 to this evidence paper provides additional information and evidence on Welsh Government commitments to tackling poverty, the priorities identified by the Equality, Local Government and Communities Committee, and an update on the key themes and specific recommendations from the previous enquiry into poverty (conducted by the Communities, Equality and Local Government Committee).

## **ANNEX: UPDATE FOR THE EQUALITY, LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE**

The Equality, Local Government and Communities Committee has requested a summary of the Welsh Government's position on six key areas of interest. These six areas are: poverty and welfare reform; in-work poverty; EU funding and tackling poverty programmes; child poverty; monitoring and evaluation of the Welsh Government's existing anti-poverty strategies; and the role of local government in tackling poverty. The following document provides a brief summary of key developments associated with these six areas.

### **Poverty and welfare reform**

We are continuing to work across Government to mitigate the impacts of welfare reform in Wales. We have supported over 300,000 households through maintaining full entitlements to council tax reduction (at an annual cost of £244 million) from 2013-14 to 2016-17. It has recently been announced that these arrangements will continue for a further year until the end of 2017-18. Our investment in frontline advice services in 2015-16 helped over 52,300 people with their requests for advice and information. This initiative provided training support during 2015-16 to approximately 1,800 local authority front-line staff on Universal Credit and wider welfare reforms. We are continuing to work with the DWP to support people into employment and are working closely with the DWP's Work and Health Unit to help those with disabilities and health conditions, including mental health conditions.

### **In-work poverty**

There are now more people in poverty who have a job than there are who are out of work. Welsh Government will be doing more to tackle in-work poverty as we look at developing support for adults to access full-time employment opportunities, increasing skills to enable people to secure in-work progression and initiatives to get second earners into work. We are also developing policies which help to build local economies, such as a community benefits approach to procurement. We are working along side external stakeholders in the private sector and organisations like the Wales TUC, to develop and support good, local employment opportunities. We will also continue to support employers in the private, public and third sectors to consider becoming Living Wage employers.

We recognise the importance of childcare in supporting parents to enter and remain in employment. Providing childcare is particularly important if we are to support second earners into work and enable parents to work enough hours to increase their income, which is critical to tackling in-work poverty. Welsh Government is supporting the childcare sector in a variety of ways. We have provided local authorities with £2.3m funding each year since 2012 to help them to provide wrap around childcare out of school hours and during holidays, plus £4.3m over three years for the CWLWM consortia (comprising the five main childcare organisations in Wales), to support the childcare sector and help us develop innovative flexible childcare solutions to meet the needs of families. We have also secured £6.3m within West Wales and the Valleys for Progress for Success to support the raising of skills and

standards across the existing childcare workforce. From April 2016, providers who care for children up to the age of 12 are subject to regulation and inspection. The upper age limit was previously 8 years. As well as providing parents assurances about safeguarding, well-being and quality, this extension also enables more parents to access certain tax and welfare benefits. In addition to our current childcare and supporting families' programmes, we have made a commitment to provide, within this Assembly term, 30 hours a week of free early education and childcare for working parents of three and four year olds, for 48 weeks of the year. On 22 September 2016 our #TalkChildcare campaign was launched, seeking views on childcare from parents, providers, local authorities and wider stakeholders. This will inform the development of the offer, with initial piloting from September 2017. We will be assessing how the new childcare offer fits with existing programmes, such as Flying Start and Foundation Phase, to ensure smooth transitions between schemes. We will also be looking at workforce development and business support for childcare providers.

### **EU funding and tackling poverty programmes**

European funding has been key to the delivery of many of our tackling poverty programmes and initiatives which help mitigate the impact of child poverty. The 2014-2020 European Social Fund (ESF) embedded tackling poverty as a cross cutting theme, ensuring 20 percent of funding focused on tackling poverty. It is too soon to say how things will unfold following the referendum on our membership of the European Union.

The First Minister has called for negotiated continued participation in major EU programmes until the end of 2020, to provide continuity while arrangements are made for the longer term. As a result, we have received assurances from the UK Government that Wales will play a full part in the terms of our withdrawal and our future engagement with Europe.

The Welsh Government will make every effort to ensure that decisions taken by the UK Government fully address Welsh interests and our concerns about the impact on jobs, growth and the economy. We will seek clarification from the UK Government on how significant EU funds will be replaced. To this end, we will be looking closely at the devolution settlement and a revision of the Barnett Formula to ensure that Wales does not lose out as a result of our withdrawal.

### **Child Poverty**

The Cabinet Secretary for Communities and Children is working across Government to deliver the objectives of the 2015 Child Poverty Strategy for Wales. On 13 December, the Welsh Government published its statutory progress report on Child Poverty. A copy of this report can be accessed on the child poverty pages of the Welsh Government website:

<http://gov.wales/topics/people-and-communities/people/children-and-young-people/child-poverty/?lang=en>

The Progress Report acknowledged that, *due to labour market changes and the UK government's* welfare reforms, the Welsh Government is not going to achieve its ambition of eradicating child poverty by 2020. While the Welsh Government's ambition to eradicate child poverty is not in doubt, there has to be a focus on those policy areas and levers where the Welsh Government can have most impact. This includes a focus on improving outcomes in the early years and increasing employability.

### **Monitoring and evaluation of the Welsh Government's existing anti-poverty strategies**

The role of data, research and evaluation is essential in informing and directing our approach to tackling poverty. It is vital that the resources we invest in policies and programmes demonstrate their value and lead to positive outcomes for the people they are directed towards. Additional analysis of the Households Below Average Income data and Annual Population Survey data for Wales has been undertaken to better understand poverty and worklessness in Wales.

This analysis is being used to inform our approach to tackling poverty by providing valuable information on the characteristics of low income households in Wales. In addition, the Welsh Government's National Survey for Wales now includes a set of questions on material deprivation, which are taken from the Department for Work and Pension's (DWP) Family Resources Survey. This will provide data on household and child deprivation, improving both the robustness and quality of data on poverty in Wales, as well as providing crucial information on the nature and composition of the deprivation faced by particular households and contributing factors. The larger sample size of the National Survey for Wales (in comparison to the FRS) means that data on household and child deprivation are also available at a local authority level.

Data from the National Survey will also be used as part of the set of National Indicators being used to monitor the outcomes of the Well-being of Future Generations Act. We are also undertaking further analysis of data from the Annual Population Survey, which is providing us with a better picture of the characteristics of economically inactive households, workless households and the qualifications and skills of young people who are NEET. This enables us to look at the number of children living in workless households, the size of families and the skills levels of parents who are workless. The data are helping us to better understand the support that is needed to improve employability and skills outcomes – and to tailor our programmes accordingly.

Finally progress in tackling poverty, including child poverty, at a Wales level will be assessed using the National Indicators underpinning the Wellbeing of Future Generations (Wales) Act 2015. A set of 46 National Indicators for Wales will measure national progress towards achieving our objectives and the seven well-being goals. A number of these are the same as the population indicators used to assess progress in achieving the objectives of the 2015 Child Poverty Strategy. This includes educational attainment, the number of young people who are NEET, employment, health outcomes and skills.

We will report on the National Indicators through the Annual Well-being Report for Wales. This will help us to monitor progress and understand the contribution made by all. It will also support a national, all Wales approach to tackling poverty.

### **The role of local government in tackling poverty**

Our 2010 Children and Families (Wales) Measure will continue to provide the legislative framework for tackling child poverty in Wales. This places a duty on Welsh Ministers and named public bodies (including all local authorities) to set objectives for tackling child poverty.

We also have the opportunity to use the Well-being of Future Generations (Wales) Act 2015 for strengthening and delivering a coordinated, cross public sector approach for taking forward our actions for tackling poverty in Wales. The Act ensures that the new Public Service Boards engage with the people of their area in the development of Well-being Plans. Each assessment may include an analysis of well-being for particular groups, such as those who are vulnerable or disadvantaged. This approach means that local well-being objectives should truly reflect the needs of local people and local communities. Welsh Government officials will monitor the Well-being Plans to ensure that Public Service Boards meet the requirements of the Children and Families (Wales) Measure in relation to setting objectives for tackling child poverty.

## ANNEX: EVIDENCE PAPER for the Equality, Local Government and Communities Committee

Table 1 provides an update in relation to the themes which emerged from the Fourth Assembly Committee's poverty inquiries. Table 2 sets out the specific recommendations which were accepted (or accepted in principle) by the Welsh Government, what progress has been made, further work planned and associated delivery milestones. Table 3 sets out the recommendations which were rejected by Welsh Government and provides an update on the initial response.

**Table 1:**

Key Themes	Welsh Government Progress in 2016
<p>There has been a general lack of progress by the Welsh Government in reducing poverty in Wales, despite long-term commitment and investment.</p>	<p>Poverty in Wales remains stubbornly high. The most recent HBAI data (for the three year period ending in 2014/15) shows that child poverty in Wales was 29 per cent, adult poverty was 22 per cent and pensioner poverty was 17 percent. To a certain extent, this reflects the policy levers available to the Welsh Government in relation to increasing household income. It is important to recognise, however, that progress is being made in relation to other key indicators – including reducing the number of children living in workless households and improving the educational outcomes of children eligible for Free School Meals.</p>
<p>The Welsh Government's approach to tackling poverty deals with the consequences of poverty, rather than addressing its causes.</p>	<p>The Welsh Government fully recognises the importance of addressing the causes of poverty. Reflecting where the evidence tells us we can have most impact, Welsh Government has prioritised increasing employability and improving outcomes in the early years. Both of these priorities are about preventing poverty and addressing its root causes. We know that workless households are especially at risk of living in poverty and that children living in workless households are more likely to have poorer health and educational outcomes. Increasing a person's employability reduces the risk of an individual being out of work for long period of time. Increasing employability also supports people who are already working by supporting people to increase their skills and progress in employment. Improving outcomes in the early years is critical to tackling poverty in the longer term. Supporting children to reach developmental and health outcomes in the early years is particularly important.</p> <p>There has also been an ongoing focus on improving the educational outcomes of pupils eligible for Free School Meals. This is one of the key levers available to the Welsh Government in relation to preventing poverty, as we know that educational outcomes are an important predictor of outcomes relating to income, employment, health and wellbeing in adulthood. Welsh Government has exceeded the target it set for educational attainment amongst pupils eligible for Free School Meals in the Foundation Phase. The proportion of pupils eligible for Free School Meals achieving Level 2 (including math and English / Welsh) reached an all time high in 2016.</p>
<p>The Welsh Government's poverty reduction programmes are heavily targeted towards specific places,</p>	<p>Welsh Government recognises that there needs to be a mix of programmes which are place specific and those which are available across Wales.</p>

<p>and there is a presumption that the population within these areas is homogenous.</p>	<p>The majority of programmes which aim to tackle poverty are not area based and eligibility is limited only to those meeting certain needs-based criteria. This includes Families First and the Pupil Deprivation Grant. It is also important to highlight that households living in poverty are not supported solely by tackling poverty programmes. The Supporting People Programme is primarily focussed on addressing homelessness and housing need. In doing this, front line workers support many households who experience or are at risk of poverty. Access to mainstream services is also critical for low income households and these are services which are not geographically targeted.</p> <p>Other programmes such as Communities First, Lift, C4W and PaCE do have a geographical focus. This enables a specific focus on areas with high levels of economic inactivity and unemployment. There is also a geographic focus to capital programmes, such as Vibrant and Viable Places, which are looking to regenerate communities. It is also important to reflect on the needs of rural communities – and ERDF Rural Communities Development Fund now includes a specific focus on tackling poverty.</p> <p>The recently established Ministerial Valleys Taskforce has recognised that the people and communities within the valleys are not homogenous and that the needs of different communities will vary. The taskforce has identified a number of key priorities including jobs and skills, community engagement and public services.</p>
<p>The Welsh Government needs more robust data about people living in poverty so that it can target its resources at those most in need.</p>	<p>The National Survey for Wales now includes questions on material deprivation and food poverty, with the view to better understanding the characteristics of low income households. Further analysis has also been undertaken of Households Below Average Income (HBAI) data for Wales, which was published on 13 December 2016. There has also been an analysis of data from surveys such as the Annual Population Survey to inform the development of a new Employability Plan for Wales.</p> <p>To inform the initial priorities of the Ministerial Taskforce for the Valleys, an evidence review of regeneration initiatives has been undertaken alongside a detailed analysis of the data for key indicators. This includes indicators on workless households, educational attainment, skills, employment, health and wellbeing.</p> <p>Welsh Government has also continued to engage with the What Works Centre for Tackling Poverty, which is a Cardiff University and ESRC funded initiative. Findings from the four projects funded by the What Works Centre continue to inform policy development in Wales. This has included the Young Foundation Report “Credit where credit’s due?” on high cost credit in Wales, which has been used to inform the development of the Welsh Government’s Delivery Plan for the 2016 Financial Inclusion Strategy.</p>

<p>Monitoring and evaluating the impact and progress of poverty programmes needs considerable improvement.</p>	<p>The evaluation of the Welsh Government's Child Poverty Strategy published in 2014 recognised the importance of evaluating specific policies and programmes underpinning the strategy in order to better understand the contribution that different strands are making to overall objectives. Welsh Government is fully committed to monitoring and evaluating the impact of tackling poverty programmes. This includes outcome evaluations of programmes such as Lift and Communities for Work.</p> <p>The Welsh Government's Statutory Progress Report on Child Poverty specifically includes data on progress made to date. This includes performance data on tackling poverty programmes, as well as other services supporting low income families.</p> <p>The policies and programmes underpinning the new Programme for Government will include a strong focus on evaluation and utilising learning from policies being developed and implemented across Wales.</p>
<p>There needs to be a stronger link between economic policy and tackling poverty, and a better understanding of the low-skilled end of the labour market.</p>	<p>The 2015 Child Poverty Strategy included a new objective on using all available levers to build a strong economy which support the poverty agenda and reduces in-work poverty in Wales. Work is being taken forward to deliver this objective. This includes action in relation to public procurement, the living wage, jobs and growth, and developing a new Employability Plan for Wales to support people to enter, remain and progress in employment.</p> <p>Taking Wales Forward will be underpinned by four new strategies, one of which is <i>Prosperous and Secure</i>.</p>
<p>The advisory groups, involving different people, for different purposes, could be streamlined into a single source of authoritative advice.</p>	<p>In 2016, officials undertook a review of existing Welsh Government advisory groups, with the view to reducing duplication.</p> <p>TPEAG was in place until November 2016. The Group continued to provide expert advice in relation to the Welsh Government's approach to tackling poverty throughout the year.</p>
<p>The infrastructure in place to tackle poverty in Wales is comparatively good, but there is a lack of understanding about poverty and how it affects people.</p>	<p>Throughout 2016, there has been a strong focus on engaging with communities to understand the issues they face, in relation to tackling poverty. A number of engagement campaigns have been taken forward as new policies and programmes are being developed. This has included engagement campaigns which have focussed on the new childcare offer and building resilient communities.</p> <p>The Ministerial Taskforce for the Valleys has also recognised the importance of genuine community engagement and has identified this as one of its initial priorities.</p>

**Table 2: Specific Recommendations – Accepted and accepted in principle**

Recommendation	Progress in 2016	Further work planned and delivery milestones
<p><b>Recommendation 2:</b>  <b>The Committee recommend the Minister reports back to the Committee on the action taken by the Welsh Government as a consequence of the ‘Deep Place’ Study, Tredegar.</b></p> <p><b>WG Response: Accept.</b></p>	<p>Members of the Ministerial Taskforce for the Valleys heard evidence from one of the authors of the Deep Place Study of Tredegar (Dr. Mark Lang) at their inaugural meeting in September 2016. Officials have also considered the findings from the more recently published Deep Place Study of Pontypool undertaken by Dr Mark Lang. We will continue to engage with the authors of the study and are particularly interested in the methodology.</p>	<p>Recommendations from the more recent Deep Place Study of Pontypool are being considered and associated actions will be taken forward within the scope of the Valleys Taskforce.</p>
<p><b>Recommendation 3:</b>  <b>The Committee recommend the Welsh Government adopts a clear definition of poverty. We suggest that this is based on the measurement of whether a person’s resources are sufficient to meet their minimum human needs and to have an acceptable standard which allows them to participate in society.</b></p> <p><b>WG Response: Accept.</b></p>	<p>The Welsh Government’s definition of child poverty is set out in the 2015 Child Poverty Strategy for Wales. Poverty is defined as :</p> <p><i>“A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in their society.”</i></p> <p>We are continuing to monitor child poverty using the relative income measure of poverty and the wider set of indicators which underpin the 2015 Child Poverty Strategy.</p>	<p>A number of the Welsh Government’s Child Poverty Strategy indicators are also indicators which underpin the Well-being of Future Generations (Wales) Act 2015.</p> <p>In December 2016, Welsh Government recognised that it would not meet its ambition to eradicate child poverty by 2020. Welsh Government will be focussing on those areas where it can have most impact. Progress in tackling child poverty at a Wales level will be measured using National Indicators underpinning the Wellbeing of Future Generations (Wales) Act 2015.</p>
<p><b>Recommendation 4:</b>  <b>The Committee recommend the Welsh Government makes a commitment in its tackling poverty strategy to ensure every person in Wales has food, shelter and warmth. This should included detailed analyses and targets for food poverty, fuel poverty and homelessness.</b></p>	<p><i>Food Poverty:</i> The Welsh Government has continued to engage and work with the Food Poverty Alliance. Taking Wales Forward includes a new commitment to ensure school children are supported in the school holidays through programmes which look to address “holiday hunger”.</p> <p><i>Fuel Poverty:</i> The Welsh Government recently consulted</p>	<p><i>Food Poverty:</i> Welsh Government announced in January 2017 that funding of £500,000 will go to summer holiday school lunch and fun clubs. The money will be offered to councils in the most deprived parts of Wales to help provide play schemes and meals over the long break.</p> <p><i>Fuel Poverty:</i> The Housing Condition Evidence Programme</p>

<p><b>WG Response: Accept in Principle.</b></p>	<p>on a new fuel poverty scheme. Cabinet Secretaries have agreed to fund the Housing Conditions Evidence Programme of investment over the next three years. This will secure data and analysis needed to inform present and future decisions in relation to domestic housing and energy efficiency and fuel poverty measures.</p> <p><i>Housing:</i> The Welsh Government believes that everyone should have access to a good quality home. This is why we continue to prioritise the provision of affordable housing, alongside support for other tenures.</p> <p>The Housing Act includes a specific focus on prevention and early intervention, with the view to addressing homelessness in Wales.</p>	<p>includes a survey of housing conditions across Wales in 2017-18, modelling and analysis work on housing conditions and fuel poverty and the development and maintenance of a “dwelling spine” in order to provide a sound evidence base for decision making.</p> <p>Welsh Government will continue to take forward action to support low income families “here and now”. One of the objectives of the Welsh Government’s Child Poverty Strategy is to support households to increase their household income by tackling the poverty premium and mitigating the impacts of welfare reform.</p> <p><i>Housing:</i> During the last administration we exceeded our target of 10,000 affordable homes. In this term of government we have committed to delivering 20,000 homes, which will include significant support for social housing as this remains a key priority.</p> <p>In January 2017, Welsh Government announced £7.8 million for the Homelessness Prevention Programme for 2017/18. The grant supports Local Authorities and third sector organisations to deliver front line services to prevent homelessness. It helps people who are affected by homelessness through the provision of night shelters, hostels, outreach work, mediation and bond schemes as well as providing a substantial network of advice services.</p>
<p><b>Recommendation 5: The Committee recommend the Minister commissions research that significantly improves the quality, scope</b></p>	<p>The Welsh Government has welcomed the recent publication of the JRF’s Anti Poverty Strategy and its Framework for Action for</p>	<p>Welsh Government policy will continue to be informed by ongoing research and analysis of data on poverty and low income households.</p>

<p><b>and extent of poverty data in Wales. This research should seek to establish which groups of people in Wales are disproportionately likely to be living in poverty, and identify the range of interventions that work best for different people, based on evidence rather than anecdote.</b></p> <p><b>WG Response: Accept in Principle.</b></p>	<p>Wales.</p> <p>New questions on household deprivation have been included in the new National Survey and additional analysis has been undertaken of key data sources, including Households Below Average Income (HBAI) data for Wales.</p>	<p>The Tackling Poverty Team is supported by colleagues in Knowledge and Analytical Services who will continue to analyse HBAI data for Wales and other surveys.</p> <p>As highlighted for the previous recommendation, there will also be a survey of housing conditions across Wales in 2017-18.</p> <p>Welsh Government will continue to engage with the JRF and their programme of research on poverty, and with the What Works Centre for Tackling Poverty established by the ESRC.</p>
<p><b>Recommendation 6: The Committee recommend the Welsh Government, as part of a clearly articulated economic development strategy, sets out how this strategy is aligned with its policies and interventions aimed at tackling poverty.</b></p> <p><b>WG Response: Accept in Principle.</b></p>	<p>Welsh Government will continue to focus on delivering one of the key objectives of the 2015 Child Poverty Strategy, which is to create a strong economy and labour market which supports the poverty agenda and reduces in-work poverty in Wales.</p>	<p>Four new strategies will underpin Taking Wales Forward, one of which is <i>Prosperous and Secure</i> – which will set out our approach to sustainable development, as outlined in Taking Wales Forward, to ensure better jobs closer to home, reduce the barriers people face to entering, remaining and progressing in employment and doing what we can to maximise people’s incomes.</p>
<p><b>Recommendation 7: The Committee recommend the Welsh Government uses its influence on the low-skilled end of the labour market (particularly the care, retail and hospitality sectors) through procurement and grant funding conditions, to improve the quality of life for people experiencing in-work poverty. This needs to be done in conjunction with the private sector through improved engagement.</b></p> <p><b>WG Response: Accept.</b></p>	<p>Welsh Government has set out its plan for employability which focuses on reshaping the support for job ready individuals and those furthest from the labour market to acquire the skills and experience to gain and maintain sustainable employment.</p> <p>Increasing employability and a focus on jobs and skills is also one of the priorities of the Ministerial Taskforce for the Valleys. Using procurement and grant funding conditions to support this agenda has been identified as a key Welsh Government policy lever.</p> <p>There is strong recognition that</p>	<p>The Employability Plan will be published in Spring 2017. The Employability Plan will utilise our procurement levers to create targeted employment opportunities for disadvantaged groups. This will include using the Better Jobs Closer to Home pilot to test how we might use procurement policy to stimulate economic growth and prosperity in areas of disadvantage through the use of employment approaches.</p> <p>Taking Wales Forward sets out Welsh Government’s continuing commitment to the Living Wage. Our focus remains on the Living Wage rate as calculated by the Living Wage</p>

	<p>“one in a lifetime investments” (such as the Metro, city regions and city deals) are delivering jobs and growth and tackling poverty. Growing support for the Community Benefits Approach.</p> <p>Taking Wales Forward includes a commitment to deliver Better Jobs Closer to Home.</p> <p>Engagement with the Private Sector has continued throughout 2016. A second Tackling Poverty Summit took place in North Wales and officials have continued to engage with the private sector as work on a new Employability Plan for Wales has developed. The Ministerial Taskforce for the Valleys is also holding a series of engagement events in early 2017 – and this includes a strong focus on engaging and working with the private sector.</p>	<p>Foundation – and not the lower National Living Wage rate introduced by UK Government.</p> <p>We fully recognise the role procurement can play to support wider adoption of the Living Wage. We have recently been consulting on the development of a Code of Practice on Ethical Employment in Supply Chains, which explores how contracting authorities can consider fair work packages, including the Living Wage, as part of procurement. We are also focusing on addressing the barriers that prevent individuals from taking up employment opportunities, or from taking on more hours, to support inclusive growth. This includes support for skills development, the promotion of responsible business practices such as flexible working arrangements and the development of the childcare market.</p>
<p><b>Recommendation 8:</b>  <b>The majority of the Committee recommend the Welsh Government presses for the devolution of the Work Programme, so that helping into work is based on local knowledge and focused on people furthest from the market. This should provide tailored solutions for different groups of people, particularly women and disabled people.</b></p> <p><b>Response: Accept in Principle.</b></p>	<p>Welsh Government is working alongside the Cardiff Capital Region to co-design Work and Health Programme with DWP. The replacement for the Work Programme is due to roll out from October 2017. Whilst the contract remains a DWP responsibility there is a commitment for Welsh Government and Cardiff City Deal to have active involvement in performance management during live running. The contract is intended to run for 5 years during which time any decision to commence negotiations around devolution of employment programmes can be progressed.</p> <p>The Work and Health Programme as well as the proposals currently being consulted on through the UK Government’s Green Paper <i>Improving Lives</i> have clear links into the new Employability Plan</p>	<p>Officials will continue to work with DWP to better align services. Work is also currently underway to incorporate health service provision into employment support in Wales.</p>

	and developments for an all-age employability programme.	
<p><b>Recommendation 9:</b>  <b>The Committee recommend the Welsh Government prioritises the under claiming of benefits such as Pension Credit and the Discretionary Assistance Fund (DAF) in Wales.</b></p> <p><b>WG Response: Accept in Principle.</b></p>	<p>Welsh Government continues to support a number of initiatives which aim to increase the uptake of benefits such as the Better Advice, Better Lives project run by Citizens Advice.</p> <p>It is important to recognise that DAF is not a welfare benefit and is a discretionary scheme which allocates on the basis of eligibility and at specific times of need. Work is being taken forward with a range of external partners to raise awareness of the DAF, with the view to increasing take up amongst certain vulnerable groups who may be eligible for the DAF IAP awards.</p>	<p>The new contract to manage the Discretionary Assistance Fund for the next three years (to be awarded shortly) will commence on 1 April 2017.</p>

**Table 3: Specific Recommendations – Rejected**

<b>Recommendation</b>	<b>Current Position</b>
<p><b>Recommendation 1:</b>  <b>The Committee recommend the Welsh Government establishes a Welsh Poverty Reduction Alliance which draws together Ministers and officials (including Local Government) with the third, private and academic sectors. It should also include representation from people living in poverty. This group should form the basis of innovative policy development, implementation and on-going scrutiny of poverty levels in Wales.</b></p> <p><b>Response: Reject</b></p>	<p>The Welsh Government's position on this recommendation has not changed.</p> <p>Tackling poverty is now a cross-government matter with all Cabinet Secretaries and Minister's taking responsibility for poverty reduction. Welsh Government will continue to engage with a range of external stakeholders to develop and implement our approach to tackling poverty.</p> <p>Throughout 2016, Welsh Government has been engaging with local communities on a number of key policies and programmes underpinning our approach to tackling poverty. This includes engagement work in some of our most deprived areas of Wales through campaigns such as #TalkValleys, #TalkCommunities and #TalkChildcare.</p> <p>In addition, Welsh Government takes into consideration the views of children and young people in the development of legislation, policies and Ministerial decisions. <i>Children in Wales</i> has received funding under the Children and Families Delivery Grant to take forward a programme of engagement with children and young people to ensure their opinions are taken into account.</p>
<p><b>Recommendation 10:</b>  <b>The Committee recommend the eligibility criteria for the</b></p>	<p>The Welsh Government's position on this recommendation has not changed.</p>

<p><b>DAF be widened, for example, by not requiring people to apply for a budgeting loan before applying for the DAF. The Committee also recommend the original allocation of £10.2 million for the Fund is restored.</b></p> <p><b>Response: Reject</b></p>	<p>The DAF remains a demand-led scheme supporting the most vulnerable people in Wales. As such, it is appropriate that applicants should explore the option of taking out a budgeting loan ahead of making an application to the Fund.</p> <p>The DAF budget for 2016-17 has increased to £8.657 million. We will continue to review demand on this.</p>
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