

Carl Sargeant AC/AM
Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children



Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
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Llywodraeth Cymru
Welsh Government

Ein cyf/ Our ref: MA (P) CS 0634 17

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

27th March 2017

Dear John

During my appearance before the committee on 16 February I offered to provide a written note in response to some of the committee's questions. I trust the note below and the three appendices attached will clarify the specific matters.

1) A note on the data used to evaluate the success of Communities First and to inform the transition period and new approach, including the current and future indicators

Since its re-launch as a tackling poverty programme in 2012, Communities First has been monitored using a Results Based Accountability (RBA) outcomes framework. The framework has three broad goals narrowing the gap between the most and least deprived communities in Wales in terms of: prosperity/employment, health, and learning/skills. The current Communities First outcomes framework comprises 22 population indicators and 101 performance measures. The population indicators are collated by the Welsh Government from a range of national level data sources (e.g. DWP, ONS and Public Health Wales). Performance measure data has been reported quarterly by Lead Delivery Bodies.

Our assessment on the effectiveness of Communities First in tackling poverty has used a number of evidence sources (see appendix 1) including:

- review of the evaluations of Communities First (most recently the Ipsos Mori/Wavehill 'Process Evaluation' (2015));
- analysis of performance management information data held by the Welsh Government; and
- analysis of poverty data (e.g. WIMD, employment and income data).

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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.

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Whilst the data show Communities First has had some success in improving individual-level outcomes (e.g. numbers “supported into employment”), its ability to affect change at a national or area level has been limited or has not been evidenced. As highlighted by Old Bell 3 in their evaluation in 2011, it is difficult to attribute outcomes specifically to any one programme.

Evaluation of transitional Communities First projects 2017/18

It will be for funding recipients to monitor performance against locally-identified outcomes. There is a clear expectation that, in responding to the well-being goals, recipients should report outcomes against the National Indicators for Wales.

Data to Inform the New Approach

Our new approach to resilient communities has been informed by an extensive stakeholder engagement exercise. This included the following:

- An online survey, “Talk Communities” was launched on 24 October 2016. More than 2,300 online responses were received. A further 863 responses to the engagement process were submitted via means other than the online survey (e.g. letters and e-mails).
- The Wales Council for Voluntary Action ran focus groups on our behalf with Communities First Cluster staff, service users and people with protected characteristics. Roundtables were held with Third Sector organisations.
- Two focus groups were also held with members of the public to explore and capture views on how we can best support resilient communities.

All local authorities and Public Services Boards were offered the opportunity of face-to-face meetings. Meetings were held with 15 local authorities and 7 Public Services Boards.

2) The approximate figures for how the Communities First legacy fund will be distributed between local authorities and clarity on the analysis used to reach the figures

During the recent engagement exercise, stakeholders highlighted the potential impact of phasing out Communities First projects. In addition to the phased transition to the new approach, we decided to provide funding to help build a strong legacy from Communities First. Legacy funding will allow some of the best, most effective Communities First projects to be sustained by Local Authorities.

The £6m per year Legacy Fund will take the form of a specific grant distributed across the 19 Local Authority areas that currently comprise the Communities First footprint. For 2018/19 and 2019/20 funding will be distributed in proportion to current Communities First budgets. Appendix 2 sets out, by Lead Delivery Body, the Communities First funding for the transition year of 2017-18 and indicative Legacy Funding for 2018-19 and 2019-20. For 2020-21, the Welsh Government will consider rolling this fund in to the Revenue Support Grant.

3) The reporting structures of the statutory indicators outlined in the Well-being of Future Generations (Wales) Act

The National Indicators to measure progress against the seven well-being goals of the Well-being of Future Generations (Wales) Act 2015 were laid before the National Assembly for Wales in March 2016. The 46 indicators will enable the Welsh Government, Assembly Members and any citizen in Wales to find out what progress is being made at a Wales level in achieving the seven well-being goals.

Progress against the seven well-being goals will be reported on through national indicators in an **Annual Well-being Report** for Wales which will be laid before the National Assembly for Wales after each financial year. The Annual Well-being Report for Wales will be published under the Code of Practice for Official Statistics. It is planned that the first annual report will be published in Summer 2017.

4) Wales' performance at tackling poverty compared with other nations, specifically Scotland

At around the time of devolution Scotland and Wales had similar proportions of people in relative income poverty. However, in the last decade the gap between the two has widened and remained at a 5 percentage point difference since 2009. Across the four UK countries, Wales has the highest proportion of people in relative income poverty and Scotland has the lowest (table at annex 3).

Generally speaking, higher qualifications attract higher wages. The “uplift” in earnings associated with higher qualifications is broadly similar whether an individual lives in Wales or another part of the UK. In addition, there is strong evidence that employment propensity is strongly linked to qualification levels.

Scotland has a stronger qualifications profile for working age adults when compared to Wales and other parts of the UK. Latest data from 2015 shows that a higher proportion of working age people in Wales have qualifications below level 2 (14 compared to 11 per cent in Scotland), and a lower proportion are qualified to level 4 or above (HE level) (36 compared to 46 per cent in Scotland)¹. The evidence also suggests that Scotland has a better skills profile than Wales. This has contributed to greater economic activity and less poorly-paid work.

Data on young people not in employment, education and training shows that, compared to Wales, Scotland has a lower rate of young people aged 19-24 who are not in employment, education and training.

¹

Other factors are also likely to influence current poverty levels. We know that being in employment is highly protective against living in a low income household. Scotland has tended to have a lower percentage of workless households than Wales since 1996. These are particularly at risk of living in poverty. However, more recently this has changed. In 2015 and 2016 Wales had a slightly lower percentage of workless households than Scotland (table at annex 3)

A handwritten signature in blue ink, appearing to read 'Carl', written in a cursive style.

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Cabinet Secretary for Communities and Children

Reviews and Evaluations of Communities First

2003

Review of the Communities First programme carried out by the Deputy Minister for Social Justice and Regeneration

2006

Cambridge Policy Consultants published a final report on the interim evaluation of Communities First

Cambridge Policy Consultants, SOLAR, Arwel Jones Associates and IPSOS MORI (2006). *Interim evaluation of Communities First: Summary of Conclusions and Recommendations*. Cardiff: Welsh Assembly Government.
<http://gov.wales/docs/caecd/research/060920-communities-first-interim-evaluation-conclusion-recommendations-en.pdf>

2008

Evaluation of the Communities First Trust Fund.

Wavehill Consulting. (2008). *Evaluation of the Communities First Trust Fund*. Cardiff: Welsh Assembly Government.
<http://gov.wales/docs/caecd/research/080201-communities-first-trust-fund-en.pdf>

2009

Wales Audit Office report.

Wales Audit Office. (2009). *Communities First*. Cardiff: Wales Audit Office.
https://www.webarchive.org.uk/wayback/archive/20090805101805/http://www.wao.gov.uk/assets/englishdocuments/Communities_First_eng.pdf

2010

Independent review of Communities First by Joseph Rowntree Foundation.

Joseph Rowntree Foundation. (2010). *Regenerating Communities First Neighbourhoods in Wales*. York: Joseph Rowntree Foundation.
<https://www.jrf.org.uk/file/40608/download?token=4AD-t4Zs&filetype=full-report>

Assessment by Professor Adamson (University of Glamorgan) of the impact of area-based regeneration policies on the experience of poverty in England, Scotland, Northern Ireland and Wales following devolution in 1997 which includes references to Communities First.

Adamson, D. (2010). *The impact of devolution: Area-based regeneration policies in the UK*. York: Joseph Rowntree.
<http://www.jrf.org.uk/sites/default/files/jrf/migrated/files/impact-of-devolution-area-regeneration.pdf>

National Assembly for Wales, Public Accounts Committee

National Assembly for Wales, Public Accounts Committee. (2010).

Communities First. Cardiff: National Assembly for Wales.

<http://www.assembly.wales/Laid%20Documents/CR-LD7923%20-%20Public%20Accounts%20Committee%20Report%20on%20Communities%20First-22022010-168311/cr-ld7923-English.pdf>

2011

Process and Outcomes Evaluations by Amion Consulting and Old Bell 3.

Amion Consulting and Old Bell 3. (2011). *The Evaluation of Communities First (full report)*. Cardiff: Welsh Government.

<http://wales.gov.uk/docs/caecd/research/110913-evaluation-communities-first-en.pdf>

2012

Communities First: 2012 Baseline Report, Welsh Government

Welsh Government. (2012). *Communities First: 2012 Baseline*. Cardiff: Welsh Government.

2014

Communities First baseline statistics revised by Welsh Government.

Welsh Government. (2014). *Communities First: 2012 Baseline (Revised)*.

Cardiff: Welsh Government

<http://gov.wales/docs/statistics/2015/151117-communities-first-2012-baseline-revised-en.pdf>

2015

Process evaluation conducted by Ipsos MORI and Wavehill Consulting

Ipsos MORI and Wavehill Consulting. (2015). *Communities First: A Process Evaluation*. Cardiff: Welsh Government.

<http://gov.wales/docs/caecd/research/2015/150226-communities-first-process-evaluation-en.pdf>

2016.

Evaluation of the Pioneer Areas pilot year delivered in Communities First areas by National Museum Wales.

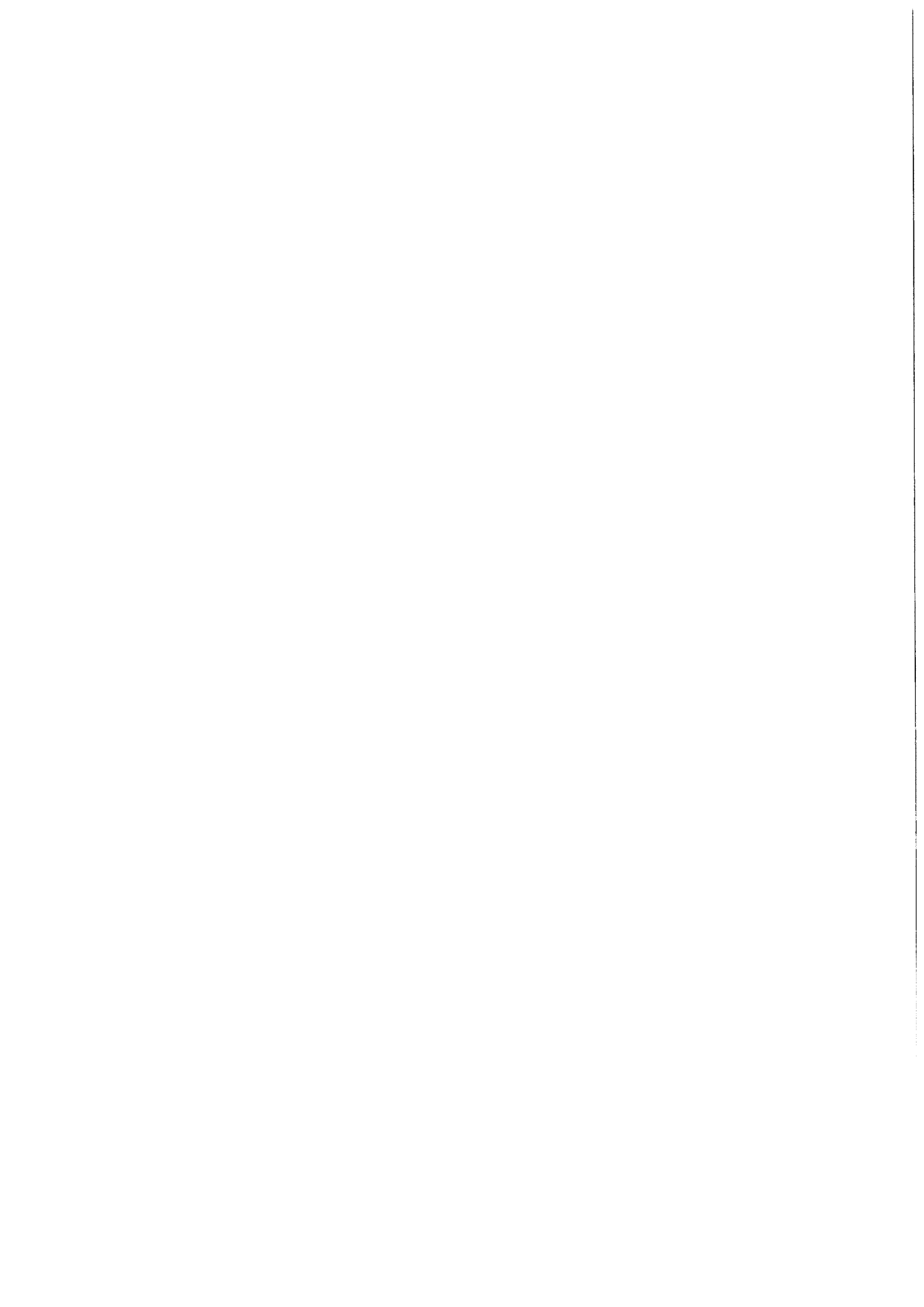
National Museum Wales. (2016). *Evaluation of the Pioneer Areas pilot year*. Cardiff: Welsh Government.

<http://gov.wales/docs/caecd/research/2016/160303-pioneer-area-programme-pilot-year-en.pdf>

Appendix 2

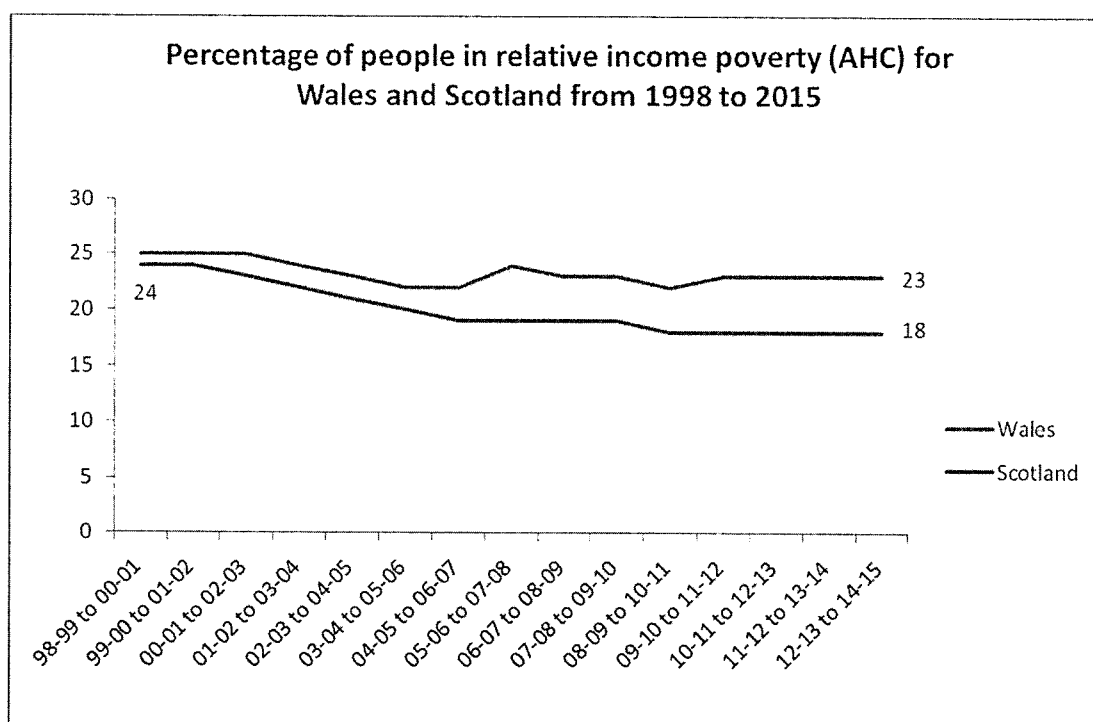
Communities First Allocations, 2017-18 and Legacy Fund Indicative Allocations 2018-19 and 2019-20

Local Authority Area	2017-18	Legacy Fund Indicative Allocations 2018-19 & 2019-20
Anglesey	£463,540	£125,015
Blaenau Gwent	£1,722,173	£464,465
Bridgend	£1,216,822	£328,173
Caerphilly	£2,031,411	£547,867
Cardiff	£2,088,866	£563,361
Carmarthenshire	£406,005	£109,498
Conwy	£406,267	£109,569
Denbighshire	£466,214	£125,737
Flintshire	£473,421	£127,680
Gwynedd	£403,673	£108,869
Merthyr Tydfil	£1,321,975	£356,534
Neath Port Talbot	£1,579,220	£425,911
Newport City	£1,674,071	£451,492
Pembrokeshire	£412,054	£111,130
Rhondda Cynon Taf	£3,395,018	£915,627
Swansea	£1,991,368	£537,067
Torfaen	£911,716	£245,887
Vale of Glamorgan	£406,645	£109,671
Wrexham	£876,713	£236,447
Total Clusters Awards	£22,247,172	£6,000,000



Poverty comparison tables

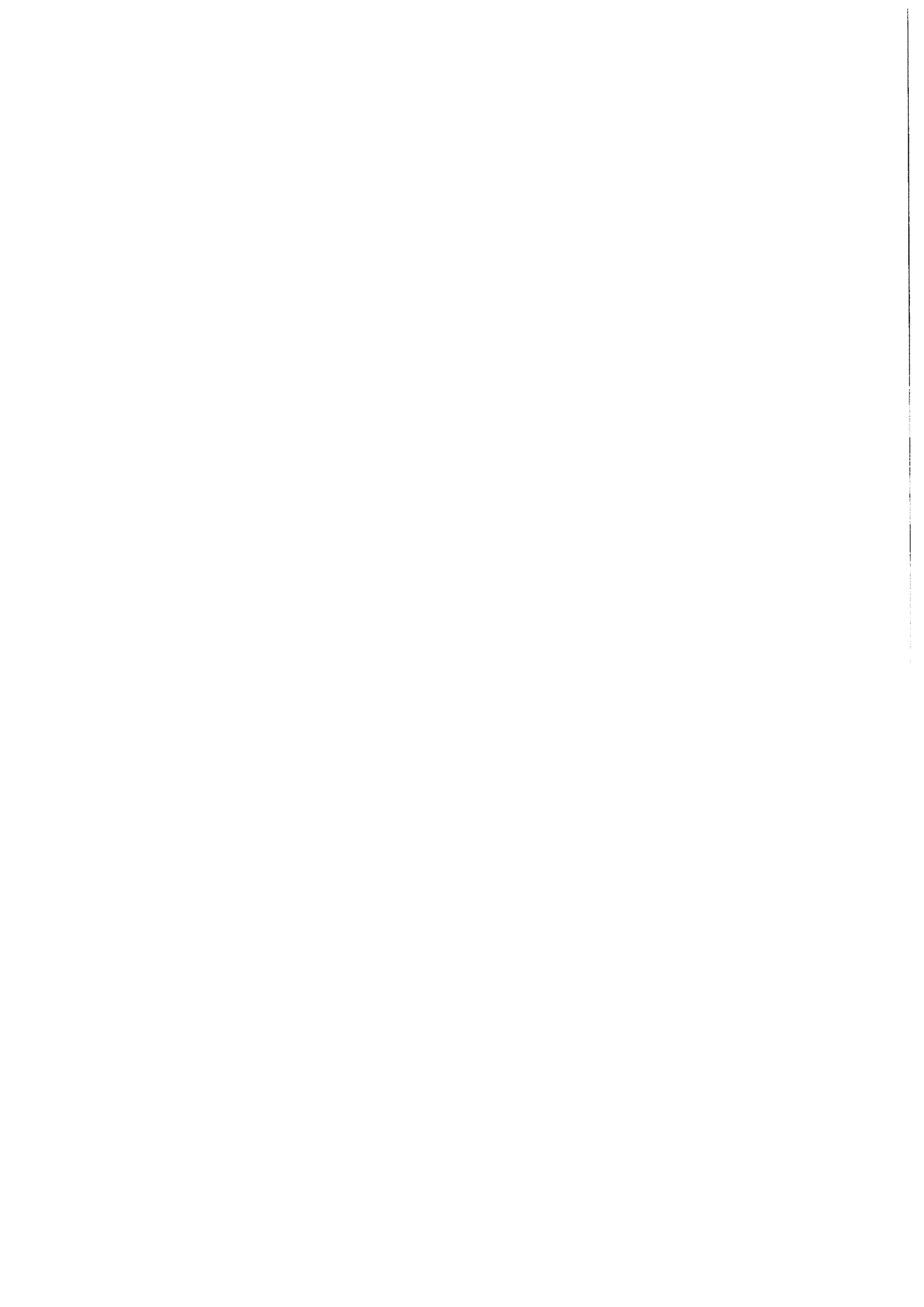
Poverty – comparison between Wales and Scotland



Source: Households Below Average Income, DWP

Percentage of workless households

	Wales	Scotland
<i>Per cent</i>		
April-June 1996	24.7	23.5
April-June 1997	23.4	23.3
April-June 1998	25.2	23.1
April-June 1999	24.2	22.7
April-June 2000	23.8	22.4
April-June 2001	25.1	21.3
April-June 2002	24.4	21.7
April-June 2003	21.4	19.7
April-June 2004	20.9	20.4
April-June 2005	21.5	20.2
April-June 2006	20.4	19.6
April-June 2007	20.8	17.5
April-June 2008	19.8	18.4
April-June 2009	22.0	20.5
April-June 2010	22.9	22.6
April-June 2011	19.8	19.9
April-June 2012	21.7	20.6
April-June 2013	20.3	19.5
April-June 2014	18.8	17.5
April-June 2015	17.2	17.9
April-June 2016	15.9	17.2



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

Llywodraeth Cymru
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5 April 2017

Dear *John*

Thank you for your letter of 28 March regarding the Communities First funding arrangements.

My officials are in regular contact and work closely with the Communities First Lead Delivery Bodies (LDB) and meetings were held in both North and South Wales to discuss the draft Communities Transition and Strategy Guidance, which included details on the funding arrangements from 1 April 2017. A copy of the final guidance, which reflects comments from the LDBs, is attached. My officials will, naturally, continue to support LDBs throughout the transition period.

In terms of the Communities First funding for 2017-18, I can clarify that LDBs have received a 70% revenue funding offer (based on the 2016-17 allocation) for the financial year ending 31st March 2018. In line with previous guarantees, the funding incorporates 100% for the period April to June 2017. LDBs have been given flexibility in determining how to profile the year's funding in support of their local priorities, on the clear understanding that Communities First funding will not be available beyond 31st March 2018. All LDBs have received formal confirmation of their funding allocation for the coming financial year and are currently submitting outline transition plans on this basis.

I recognise the planning for the 2017-18 transition phase is an iterative process and acknowledge that it is likely that an LDB might need to make changes to their transition plans during the year for a number of reasons, including the upcoming local government elections.

Yours sincerely

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Cabinet Secretary for Communities and Children

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