

Elin Jones AM/AC
Y Gweinidog dros Faterion Gwledig
Minister for Rural Affairs



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref

Alun Davies AC
Cadeirydd,
Is-bwyllgor Datblygu
Gwledig,
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1NA

3 Mawrth 2008

Annwyl Alun,

Diolch am eich llythyr dyddiedig 1 Chwefror 2008 yn gofyn am dystiolaeth ar gyfer ymchwiliad y Pwyllgor i dlodi ac amddifadedd yng nghefn gwlad Cymru.

Mae nifer o bolisiau o fewn fy mhorthffolio sy'n mynd i'r afael â'r materion sy'n wynebu cymunedau gwledig, yn uniongyrchol ac yn anuniongyrchol. Fodd bynnag, nid yw o fewn cylch gwaith fy mhorthffolio i i ddelio'n uniongyrchol â'r broblem o amddifadedd a thlodi mewn ardaloedd gwledig. Mae'r prif ddulliau o weithredu o fewn portffolio Gweinidogol eraill, a Llywodraeth y DU. Fel y Gweinidog dros Faterion Gwledig, cytunais, trwy ymgynghori â chydweithwyr y Cabinet, i gasglu dystiolaeth i'r Pwyllgor ei ystyried.

Mae'r ddogfen sydd wedi'i hatodi yn rhoi yr ymateb a gafwyd gan Adrannau Llywodraeth Cynulliad Cymru.

Yn gywir,

Elin Jones AC
Y Gweinidog dros Faterion Gwledig

Adrannau Llywodraeth Cynulliad Cymru

Tystiolaeth i Is-Bwyllgor Datblygu Gwledig Llywodraeth Cynulliad Cymru - Ymchwiliad i Dlodi ac Amddifadedd yng Nghymru Wledig

Cyflwyniad

Un ystyriaeth bwysig ar gyfer yr ymchwiliad hwn yw bod gwahaniaeth sylfaenol rhwng pobl ddifreintiedig ac ardaloedd o amddifadedd. Pobl ddifreintiedig yw'r rheini heb swydd, ar incwm isel, mewn iechyd gwael ac ati. Mae'r bobl hyn i'w cael ym mhob rhan o Gymru ac o ran ystadegau mae ychydig yn llai ohonynt at ei gilydd yn y Gymru wledig nag mewn rhannau eraill o Gymru. Cymerir fel arfer mai ardaloedd o amddifadedd yw ardaloedd bychain gyda chrynodeiadau arbennig o uchel o bobl ddifreintiedig. Er enghraifft, y 10% o ardaloedd sydd wedi eu rhestru fel y rhai mwyaf amddifadus ym Mynegai Amddifadedd Lluosog Cymru. Ffenomen sy'n perthyn i drefi/Cymoedd yw'r ardaloedd hyn o amddifadedd yn gyffredinol gan fod ardaloedd gwledig yn tueddu i fod yn fwy cymysg a chanddynt grynodiadau is felly. Oherwydd hyn, mae'r mwyafrif o bobl ddifreintiedig yng Nghymru'n byw tu allan i'r ardaloedd o amddifadedd.

Nid math arbennig o amddifadedd yw amddifadedd gwledig. A siarad yn gyffredinol, mae problemau amddifadedd yn codi ledled Cymru, ond maent yn amrywio o ran eu graddfa, ac felly mae gan rai ardaloedd fwy o fathau arbennig o amddifadedd nag eraill. Mae'r dosbarthiad yn amrywio hefyd ac er bod y problemau'n weddol debyg ar lefel awdurdod lleol, mae'r dosbarthiad o fewn pob ardal awdurdod lleol yn wahanol iawn, ac felly rydych yn debygol o fod angen dull gwahanol o fynd ati i fynd i ddelio â phob problem.

Arsyllfa Wledig Cymru

Nodir bod y Pwyllgor wedi derbyn tystiolaeth yn barod gan Arsyllfa Wledig Cymru ac mae'r adroddiad 'Tlodi ac Allgáu Cymdeithasol yng Nghefn Gwlad Cymru', a gafodd ei lunio ganddynt ym mis Tachwedd 2005, yn hynod berthnasol i'r ymchwiliad hwn.

[<http://www.walesruralobservatory.org.uk/reports/english/pov&se%20report%20v2.pdf>].

Mae'n amlwg o'r dystiolaeth a gafodd ei chyflwyno yn adroddiad Arsyllfa Wledig Cymru fod tlodi ac allgáu cymdeithasol i'w cael yng nghefn gwlad Cymru. Er enghraifft, yn 2004 roedd chwarter y cartrefi'n byw ar incwm o lai na £10,000 ac roedd lleiafrif arwyddocaol o'r boblogaeth wledig yn dibynnu ar fudd-daliadau'r wladwriaeth sy'n destun prawf modd. Mewn gwirionedd, nid oedd lefelau incwm isel a derbyn budd-daliadau'n annhebyg yng nghefn gwlad Cymru i'r rhai hynny a gafodd eu cofnodi yn ardaloedd Trefol a Chymoedd Cymru.

Mae'r adroddiad yn egluro hefyd nad yw'r darlun yr un fath ar draws ardaloedd gwledig. Mae cryn wahaniaeth rhwng ardaloedd dwyreiniol a gorllewinol Cymru wledig a rhwng yr ardaloedd incwm uchel ar y ffin yn ardaloedd y gogledd-ddwyrain a'r de-ddwyrain a'r ardaloedd incwm isel yn y gogledd-orllewin. Mae'r amrywiad rhanbarthol hwn yn fwy cymhleth fyth mewn

pocedi o gartrefi incwm isel a geir mewn gwahanol rannau o gefn gwlad Cymru. Er enghraifft, hyd yn oed yn Sir Fynwy, yr ardal awdurdod unedol â'r incwm cyfartalog cartrefi uchaf yng Nghymru, mae 15% o gartrefi'n cael eu dosbarthu fel rhai incwm isel.

Mae'r prif ganfyddiadau allweddol eraill yn cynnwys y canlynol:

- Mae pobl hŷn yn dod i'r amlwg fel y grŵp incwm isel mwyaf arwyddocaol o ran niferoedd yng nghefn gwlad Cymru, gyda bron i ddwy ran o dair o'r bobl dlawd yng nghefn gwlad dros 55 neu hŷn.
- Roedd saith o bob deg o deuluoedd incwm isel yn economaidd anweithgar, a'r mwyafrif o deuluoedd felly wedi ymddeol.
- Ond roedd chwarter y bobl dlawd economaidd anweithgar, un ai'n dioddef salwch hirdymor neu anabledd neu'n ddi-waith.
- Roedd tua thri o bob deg teulu tlawd yng Nghymru mewn gwaith yn 2004, a'r rhan fwyaf o ddigon mewn gwaith amser llawn neu ran-amser.
- Roedd pobl dlawd oedd yn gweithio wedi eu gorgynrychioli mewn cwmnïau sector preifat bach ac yn y sectorau cysylltiedig â gwestai ac arlwy, gweithgynhyrchu ac amaethyddiaeth.
- Roedd bron i ddwy ran o dair o'r teuluoedd incwm isel yng nghefn gwlad Cymru yn berchen-feddianwyr, roedd un rhan o bump yn rhentu yn y sector cymdeithasol ac roedd 13% mewn llety rhent preifat.
- Roedd ychydig llai nag un rhan o dair o deuluoedd incwm isel heb gerbyd preifat at eu defnydd; ac
- Roedd 38% o'r ymatebwyr mewn cartrefi incwm isel yn adrodd am salwch cyfyngol hirdymor.

Er gwaethaf y data ar ffurf ystadegau, canfu Arsyllfa Wledig Cymru fod y rhan fwyaf o bobl yn gwadu presenoldeb tlodi yn eu hardal leol, a'r rhai oedd yn gwadu fwyaf taer oedd y rheini ar incwm isel.

Mewn cysylltiad â dimensiynau eraill o allgáu cymdeithasol, mae'r cyfeiriad yn sôn am anawsterau cael gwaith yn lleol, yn bennaf oherwydd problemau'n ymwneud ag argaeledd swyddi'n lleol a'u haddasrwydd a nifer y rhai oedd yn berchen ar gyfrifiadur personol a mynediad i'r Rhyngrwyd yn isel ymhlith teuluoedd incwm isel. Ymddengys hefyd mai deintyddfeydd, sinemâu, ysbytai cyffredinol a gorsafoedd heddlu yw'r gwasanaethau/cyfleusterau mwyaf anodd cael mynediad atynt mewn ardaloedd gwledig.

Dadansoddiad Sefyllfaol a Dadansoddiad Ystadegol

Mae llawer iawn o ddata perthnasol hefyd yn Nadansoddiad Sefyllfaol y Cynllun Datblygu Gwledig y gellir mynd ato drwy'r hyperddolen hon:

<http://new.wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment/20072013ruraldevelopmentplan/?lang=en>. Mae

detholiad wedi ei ddiweddarau yn cynnwys rhywfaint o'r data allweddol ynghlwm yn **Atodiad B**.

Yn ychwanegol at hyn, bydd Cyfarwyddiaeth Ystadegol Llywodraeth y Cynulliad yn creu ffocws ar gefn gwlad Cymru yn fuan gan gasglu ystod o ffynonellau data ynghyd ar wahanol lefelau ar themâu neu bynciau gwahanol.

Atodaf isod yn **Atodiad A** tystiolaeth pellach o Adrannau Llywodraeth Cynulliad Cymru.

Elin Jones AC
Gweinidog dros Faterion Gwledig

(Mae'r Atodiadau isod yn Saesneg yn unig)

Evidence from Departments of the Welsh Assembly Government

The Department for Rural Affairs (DRA)

There are a number of policies within DRA that both directly and indirectly address the issues facing rural communities. Key amongst these is the recently approved Rural Development Plan which will bring £795 million to help support the land-based sector and wider rural communities.

Under the RDP we will deliver a wide range of measures to support rural communities and businesses. These measures will include dedicated business support for agriculture and forestry under Farming Connect; a new Farm Advisory Service; and support for the agri-food sector through the Processing and Marketing Grant and Supply Chain Efficiency Scheme. In terms of the environment and countryside, the RDP will support farm based land management actions and for forestry through Better Woodlands for Wales and under Axis 3 and Axis 4 (Leader). It will support locally developed policies aimed at sustaining and developing the socio-economic, environmental and cultural framework of rural communities and developing the Leader approach.

It is not the remit of DRA to directly address the issues of deprivation and poverty in rural areas. The key levers for action rest with other Departments of the Welsh Assembly Government, and with the UK Government. Furthermore, access to EU funding – and avoiding state aid issues – means that DRA has to operate invariably within a legal framework tightly drawn by the European Commission. Outside of direct payments to farmers, the RDP provides the opportunity to support a more competitive agriculture and forestry sector, enhancing the rural environment and improving the quality of life in rural areas.

None of these measures in themselves address the inclusion and poverty agenda. More importantly, it is the combined delivery of the RDP measures that make a contribution to the broader actions by the Welsh Assembly Government, as its partners across Wales.

Farm Incomes

Since 2000, Net Farm Income has been volatile with significant changes, often annually, on income ranges between the sectors of Welsh agriculture. What is clear is that it is the external global changes that can have a more far reaching impact, e.g. increases in feed prices, global prices, etc. Furthermore, significant downturns in average farm income have been recorded for 2001 and 2007, principally as a result of animal disease (Foot and Mouth Disease in 2001 and 2007 plus Bluetongue in 2007). More specifically an agriculture industry that is dominated by sheep and beef production (whereby farmers took advantage of the Common Agriculture Policy (CAP) regime to maximise their income base without any proper regard to market reality and consumer demand) has an inherent structural weakness.

This is a key issue for the new Farming Strategy that the Welsh Assembly Government will be developing in 2008.

On the other hand the importance of the agriculture industry to rural Wales in employment terms must be considered. Even in the sparsest context, the industry accounts for less than 10% of employment (including self-employment) which is approximately half the level of employment in the manufacturing sector. Table 1 below shows the full range of sectors for rural Wales.

Table 1: Distribution across Employment Sectors

Persons 16 to 74 in employment by industrial group

	Less sparse context			Sparsest Context	Total
	Large town	Small town	Others		
Wales total (=100%)	730,000	170,000	110,000	180,000	1,190,000
Share by industrial group					
Agriculture and fisheries	0.7%	1.4%	5.7%	9.2%	2.5%
Manufacturing & construction	26.6%	29.0%	23.5%	20.9%	25.8%
Wholesale & retail	16.7%	15.8%	14.2%	16.2%	16.3%
Hotels and catering	5.0%	5.0%	5.0%	7.5%	5.4%
Transport & communication	5.8%	5.1%	4.9%	4.9%	5.5%
Financial services	12.6%	10.9%	12.5%	8.9%	11.8%
Public administration	7.1%	6.5%	6.4%	6.3%	6.8%
Education	7.7%	8.1%	9.9%	8.7%	8.1%
Health	13.0%	13.7%	13.4%	12.2%	13.0%
Others	4.8%	4.6%	4.6%	5.3%	4.8%
England total (=100%)	18,000,000	2,100,000	2,100,000	300,000	22,400,000
Share by industrial group					
Agriculture and fisheries	0.7%	2.4%	6.0%	9.1%	1.5%
Manufacturing & construction	22.4%	24.7%	21.9%	22.2%	22.5%
Wholesale & retail	17.1%	16.6%	14.9%	16.5%	16.9%
Hotels and catering	4.7%	4.7%	4.7%	9.1%	4.7%
Transport & communication	7.4%	6.3%	5.5%	4.9%	7.1%
Financial services	18.5%	15.7%	17.1%	10.2%	18.0%
Public administration	5.5%	6.2%	6.4%	4.9%	5.7%
Education	7.6%	8.2%	8.4%	7.3%	7.7%
Health	10.8%	10.5%	10.0%	10.4%	10.7%
Others	5.3%	4.7%	5.0%	5.3%	5.2%

Census of Population, 2001

In addition, data from the Farm Business Survey (FBS) shows increasing levels of income from non-farming sources, suggesting that farming households are supplementing declining farming income with income from other activities. Table 2 below shows the income from non-farming sources which also includes income earned on the farm through diversified activities (such as farm retailing, offering tourism accommodation and renting out farm buildings) and income from off-farm sources (e.g. wages from employment etc.).

Table 2: Income from Non-farming Sources

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
On-farm	3,052	5,338	3,828	4,406	5,776	5,416	6,689
Off-farm	4,236	3,800	3,617	3,802	5,656	5,982	6,571
Total	7,288	9,138	7,445	8,208	11,432	11,398	13,260

Source: Farm Business Survey

Department for Social Justice and Local Government (SJLG)

Within the 'One Wales' Programme, SJLG is taking the lead on 26 commitments, and all are related or can be linked to addressing poverty and deprivation throughout Wales. Some current research projects will give SJLG more insight into what is going on in rural areas as well as everywhere else.

Tackling Child Poverty is a priority for this third Assembly Government term and a fundamental component of SJLG's broader social justice agenda. In October 2006 the Assembly Government itself published a range of cross-cutting targets in '*Eradicating Child Poverty – Measuring Success*' across a number of policy areas. SJLG is committed to the principle of social justice in a Wales where everyone can live free from poverty. Some specific developments and activities addressing poverty and deprivation are detailed below.

Child Poverty

The percentage of children in Wales living in poverty has fallen from 35% at the time of devolution to 28% (estimated 180,000 children) in the most recent period (after housing costs). Relative low-income remains the UK and Assembly Government headline measure for child poverty. At this time, there are no official statistics available to identify child poverty below an All-Wales level but work is ongoing with Essex University to provide information at either Lower Super Output Areas or local authority level. Consideration is also being given to developing a child index of deprivation to be published in the autumn.

Working with other Assembly Government departments, including SJLG, the Office of the Chief Social Research Officer (OCSRO) is currently developing, and from September 2008, will publish a child wellbeing monitor for the Welsh Assembly Government. The monitor will consist of a report on different aspects of child wellbeing, including child poverty in Wales. SJLG is also supporting a two year 'Save the Children' led pilot project to support local government in establishing an effective and sustainable approach to reducing the number of children living in poverty in Wales. Gwynedd and RCT have been chosen as the two pilot areas and dedicated work has begun which it is hoped will drive improved outcomes for children living in poverty by maximising the leverage of local government power in a number of different areas. In addition, a web based local authority toolkit is being developed to support good practice across the 22 local authority areas.

SJLG also plans to introduce a Welsh premium to the Child Trust Funds of all eligible children in Wales, with more for those children in low income families.

Credit Unions

One Wales commits us to the establishment of credit unions throughout Wales; to providing credit union access for all secondary schools by 2011; and to encouraging more credit unions to offer child trust fund accounts. We have committed £1.25 million over three years from April 2008 for the implementation of these commitments.

We are already working with credit unions in Wales to increase coverage and support the movement to sustainability. Credit unions are active in 21 of our 22 local authority areas and we are currently supporting a bid by Torfaen Credit Union to extend its reach into the 22nd - Monmouthshire.

Example: SJLG is supporting the development of a Community Banking Partnership (CBP) in operation throughout Powys. This is a partnership between the Robert Owen Credit Union, local high street banks and the Citizens Advice Bureau, which has also developed links with Powys County Council, Powys Care and Repair as well as Mid Wales and Clwyd Alyn Housing Associations and others. The CBP works by establishing a cross referral system between agencies which ensures individuals approaching one agency also get the help they need from the others. The Robert Owen Community Banking Fund has been awarded £96,507 over three years to continue to build on this work. SJLG is working with WEFO on the development of a Convergence project which will (with SJLG funding outside Convergence areas) allow SJLG to continue to provide opportunities for this sort of development throughout Wales.

Many of our credit unions already work with local schools, helping children to learn about the benefits of saving.

Example: The Deputy Minister for Regeneration recently attended the launch of Cardiff Credit Union's school saving scheme in Meadowlane Primary School, St Mellons; Caerphilly & District Credit Union help the children of Plasyfelin Primary School, Churchill Park, Caerphilly to run their own credit union collection point. SJLG will work with credit unions to develop this sort of outreach work. The Department has recently approved the commitment of an additional £350,000 to a project which aims to increase the number of credit unions in Wales offering child trust fund accounts from 3 to 25 by April 2009.

Treatment of rurality and deprivation within the local government finance settlement.

Within the local government funding formula:

- i) Deprivation is recognised as a driver of expenditure need and is represented in the formulae by a number of measures specific to each service:
 - for education services both the mainstream primary and mainstream secondary formulae use free school meal entitlement as a suitable measure for deprivation;
 - Within the social services formula, deprivation indicators tend to be based on administrative data sources such as benefit claimants. Deprivation indicators distribute 27% of resources.
- ii) Rurality or sparsity is recognised within the formulae in two ways: 'settlement' indicators (based on the population living outside key settlements) and 'dispersion' indicators (based on the distances that populations have to travel to key settlements). They tend to capture the additional travel costs associated with providing services in rural areas. Sparsity indicators distribute around 6% of resources.

Communities First / Communities Next

The Communities First Programme was initially established to support regeneration within particularly deprived communities in Wales. Communities First Partnerships underpinned the funded projects/programmes. Assembly Government guidance made clear that all areas and all sectors of the local community should be represented on the Partnership, but each Partnership had its own arrangements for ensuring that representation. There was also a requirement to involve children and young people and older people in their decision-making and in their activities.

Four Communities First areas (out of the original 142) cover rural communities within Gwynedd, Flintshire, Powys and Ceredigion. They were approved as “communities of interest” / “imaginative proposals” – an acknowledgement that they experienced a form of deprivation because of their particular rural circumstances. All four have established a profile in their areas.

Building on developments within the Communities First programme, Assembly Government’s consultation paper on ‘Communities Next’ was launched in January 2008 makes reference to the four ‘rural’ communities of interest, highlighting the requirement to link these Partnerships more strongly to the Welsh Assembly Government’s wider rural work, in the context of the Assembly Government’s Rural Development Plan.

Financial Inclusion

The profile of financial inclusion has risen markedly over the past 10 years and there have been major developments since 2004 with the UK and Scottish Governments investing significantly in Financial Inclusion. Throughout 2008, we will be developing the first Financial Inclusion Strategy for Wales. Key actions will include:

- Overseeing the ongoing roll-out of free-to-use ATMs by both LINK and high street banks;
- Introducing financial literacy education in schools and establishing the Welsh Unit for Financial Education;
- An integrated approach to income maximisation to ensure people take up the benefits to which they are entitled;
- Introducing a Child Trust Fund Welsh premium; and
- Supporting the further development and diversification of credit unions.

The second phase of the UK Government’s Financial Inclusion Fund will provide £135 million (2008-11) for initiatives including:

- £12 million to fund dedicated staff promoting financial inclusion locally;
- £76 million to fund free face-to-face money advice to financially excluded people;
- £38 million to increase consumer access to affordable credit through credit unions and other third sector lenders.

Gypsy Travellers

The existing Gypsy Traveller site network in Wales is not up to standard. The Assembly Government Gypsy Traveller sites Refurbishment Grant and developing site design and site management guidance aims to address this situation. Funding of £1.7 million has been made available to local authorities across Wales in 2007-08 to improve the existing Gypsy Traveller site network, including a number of rural sites in Pembrokeshire and Gwynedd. This will benefit those people living on the site and will encourage new Traveller families to move onto the improved pitches and move away from unauthorised, often unsuitable encampments.

Community Facilities and Activities Programme (CFAP)

CFAP is a Wales-wide capital grant scheme, open to community and voluntary organisations, to help regeneration. However, it has helped numerous rural communities by improving the lives of those living in them. Since its launch in November 2002, CFAP has funded 590 projects across Wales with grants totalling nearly £53.8 million.

Department for Children, Education, Lifelong Learning and Skills (DCELLS)

School Uniform Grant

The Welsh Assembly Government recognises that some parents face financial difficulty in purchasing school uniform for their children.

In 2005, the Welsh Assembly Government introduced an all Wales school uniform grant scheme to assist families on low incomes with the purchase of school uniform for their children. The scheme was targeted at pupils entering secondary school as this is the time when parents face the biggest cost for school uniform in one go.

The grant was again available in 2006/07. £770,000 is available in 2007/08 to continue the grant scheme and provides a grant of £97.50 for pupils who entered Year 7 of secondary school in September 2007 who are eligible for free school meals, and for pupils in special schools, special needs resource bases and pupil referral units who were aged 11 at the start of the 2007/08 school year and who are eligible for free school meals. Approximately 6,500 pupils are eligible for the grant in 2007/08. Local education authorities (LEAs) across Wales are administering the grant on behalf of the Welsh Assembly Government.

RAISE (Raising Attainment and Individual Standards in Education)

The Cabinet originally announced the RAISE Programme in April 2006. The initiative was intended to make £32 million available to schools and local authorities, over a two year period.

Of the £16 million available each year:

- Approximately £14.5 million was to go to schools;
- £1 million each year was to go to LEAs to support looked-after children, especially those in years 10 and 11;
- The remaining £500,000 would support the organisation of national events for schools, administration and a nationwide evaluation of the whole programme.

Schools received a grant, if they had 50 or more pupils of statutory school age, of whom 20% or more were eligible for free school meals.

These schools were to target the pupils who were at the greatest disadvantage because of their family circumstances and who were the most likely to drop out of education in the secondary school or to end up with few qualifications.

The intention behind the qualification criteria for RAISE funding was to provide additional support for schools facing the highest incidence of pupil disadvantage. This was to ensure that schools in the neediest areas received enough additional resources to make a significant impact on the link between socio-economic disadvantage and low attainment.

Schools in all 22 LEAs qualified for grant aid. Largely urban and post-industrial authorities tended to attract a marginally higher percentage of the total RAISE funding than both their percentage of total 5-15 pupils and their

percentage of the total number of pupils eligible for free school meals in Wales. Swansea, Neath Port Talbot, Rhondda Cynon Taf, Merthyr Tydfil, Blaenau Gwent, Newport, Cardiff and, exceptionally, Ynys Môn all received more in terms of the total number of their pupils and of their pupils eligible for free school meals. Apart from Ynys Môn, the rural LEAs all received a lower percentage of the RAISE funding than their percentage of pupils eligible for free school meals. **(See Annex C)**

As a result of the recent budget settlement, RAISE funding will continue at £16.25 million for a third year. However, the funding will decrease to £6.29 million for 2009-2010 and £1.03 million in 2010-2011. In each of these years, the Minister has committed £1 million of the grant to support looked-after children.

Youth & Adult Learning Opportunities

- Access to Careers Information Advice and Guidance is enshrined within Extending Entitlement and Learning Pathways 14-19.
- The work of the Youth Service is concerned to enable young people gain a range of appropriate skills that will be of use to them in both their working and non-working lives. It is planned in 2008/09 to determine the extent a non-formal education approach has on improving the employability of young people. Currently there is only limited evidence to determine the link between involvement by young people in Youth Service activities, the development of appropriate skills, employability and a reduction in levels of poverty.
- The Learning and Skills (Wales) Measure, which was launched for consultation on 15 January 2008, is intended to drive forward the implementation of Learning Pathways in Wales, setting out the distinct approach being taken to developing 14-19 provision. These proposals represent a truly inclusive policy and will ensure that all young people, including those who are less advantaged, have the opportunities to achieve their potential.
- The recent National Youth Service Strategy for Wales scoping exercise has provided some evidence of an additional lack of Youth Service resources for young people living in rural areas. This includes insufficient places for young people to meet, poor quality buildings, limited access to qualified Youth Workers, poor transport infrastructure, and general lower levels of funding. Ceredigion for example has the lowest spend per head of youth population in Wales.

Skills That Work For Wales

The public consultation on this draft skills and employment strategy for Wales commenced in January and ends in April 2008. There will be a Plenary Debate on 4 March 2008. The document is available on <http://new.wales.gov.uk/consultations/> and can be copied from there. It sets out a comprehensive approach to tackling the skills and employment challenges that face all parts of Wales.

Skills are increasingly important for the success of businesses, individuals, and communities. The better qualified someone is, the more likely they will be in work and earning a good income; training has been shown to improve business productivity; and good local skills make places attractive for firms to locate or start up.

The Assembly Government and its partners have been making progress in improving skills and increasing employment in Wales. Qualification levels overall have increased in recent years.

However, serious challenges remain. Wales still has a lower employment rate, a lower economic activity rate, and a higher proportion of adults without qualifications, than the UK average. Wales' skills profile compares poorly to the leading advanced countries. The Leitch Review of Skills concluded that the skills of the UK workforce as a whole are not world class - a weakness that could hold back future growth and risk increasing inequality.

Reflecting the close relationship between the skills, employment and economic development agendas, *Skills That Work for Wales* was developed jointly by officials from DCELLS and the Department for the Economy and Transport (DE&T).

The drafting team consulted key stakeholders including the Department of Work and Pensions and the Future Skills Wales steering group, which consists of a wide range of public, private and voluntary sector representatives including the CBI Wales, Wales TUC, Federation of Small Businesses (FSB) and Sector Skills Development Agency.

The Assembly Government will continue to seek robust advice on future policy and targets through the new UK Commission for Employment and Skills and the Wales Employment and Skills Board. A key objective of the new Board will be providing recommendations on integrating employment, skills, business support, and other policies.

Skills That Work for Wales sets out a coherent reform agenda for education and training at all levels. Four key proposals will drive the wider agenda:

- *New approaches to funding*, including a contributions policy that will focus public funding where it can make the greatest impact and reflect the principle of shared responsibility for improving skills.

- *More demand-responsive skills and business support*, with a stronger role for Sector Skills Councils, reformed vocational qualifications and joined-up services for business.
- *Integrated skills and employment services* offering flexible and comprehensive support for people outside the labour market, delivered through partnership between the Assembly Government and Department of Work and Pensions.
- *Reconfiguration* to create a learning network with the capacity, scale and quality to deliver the skills of the future.

Within the proposed overall approach to tackling economic inactivity and raising the Wales employment rate, the proposals recognise that there needs to be targeting of areas of greatest need.

General

The terms of reference are clearly focused on developments in rural Wales and on this basis there is nothing within the various student support packages that is specifically targeted at students in rural areas (i.e. there is no weighting for rurality as occurs in some other types of intervention) similarly with Higher Education. However, given that one of the inquiry's sub-headings is "Children and young people", the Committee may find some use for the following general notes:

Student Support

Education Maintenance Allowance (EMA)

The EMA Wales scheme was introduced for 16 year olds in 2004/05 and extended to include 17 year olds in 2005/06 and finally to include 18 year olds in 2006/07. The Scheme is targeted at young people from low to modest income households. It is based on a 'something for something' approach and encourages young people to continue in education after school leaving age. The principal component of the EMA is a weekly allowance, linked to satisfactory attendance, paid fortnightly to eligible students attending learning centres in Wales. Students can qualify for awards of £10, £20 or £30 depending on household income. They can also qualify for periodic additional bonuses of £100 if agreed learning objectives are met.

Latest Statistical Release 2007/08 provisional figures reveal that 29,410 applications from young people have been approved; 82% (24,120) of approved applications were from young people from households with an income of £20,810 or less and thus qualified for the maximum weekly allowance of £30. We have made £29m available in 2007-08 so that they can make the best of their learning opportunity.

Financial Contingency Funds (FCFs)

The Welsh Assembly Government makes over £12m available each year to enable colleges and universities in Wales to provide discretionary financial support to students who are experiencing financial hardship and who might otherwise be unable to continue with their studies. Guidance is provided to ensure that the colleges and universities give priority to vulnerable students,

but the guidance is flexible enough for the FE and HEIs to administer their FCF allocations in a way which allows them to meet the needs of their particular students, reflecting the make-up of their respective student bodies. Thus colleges in rural areas, or which are in towns with rural hinterlands can address the particular needs of their student clientele.

Higher Education

Reaching Higher

The ten-year strategy for Higher Education in Wales, *Reaching Higher*, was published in March 2002.

Widening access is a key priority in *Reaching Higher* and since 2002/03 we have invested £2m each year on widening access initiatives throughout Wales, delivered via four regional Reaching Wider Partnerships. The Reaching Wider Partnerships work specifically in Communities First areas and are engaged in a wide range of projects designed to promote higher education to those whose families and communities have no tradition of going on to university.

Welsh higher education institutions consistently outperform UK averages in attracting a wide social mix of students and is at the forefront in terms of increasing participation from under-represented groups.

It is important to note that the Reaching Wider Partnerships work in Communities First areas and do not specifically target rural communities.

Widening Access Activities

Widening Access funds are used both to encourage under-represented students to consider higher education and to support their learning whilst in higher education. Examples of this work include:

- Supporting young people's transition through schools and colleges to HE;
- Developing and working with institutional Disability Equality policies;
- Maintaining or increasing the number of students claiming the Disabled Students Allowance in higher education;
- Developing and improving retention strategies with on-line study skills support and advice;
- Working with young people studying alternative curricula and young offenders to enable the achievement of qualifications;
- Schools mentoring and e-mentoring to improve skills and raise educational aspirations;
- Family learning, intergenerational learning and adult provision in the Community First areas;
- Enhancing employability by developing Welsh language skills provision to enhance employability.

Department for Health and Social Services (DHSS)

Developing Rural Health Plan for Wales

One Wales contains a commitment to develop a Rural Health Plan for Wales. The Minister for Health and Social Services formally announced the establishment of the project on the 11th January 2008 with the appointment of Lord Elystan Morgan to lead the review supported by Jane Jeffs and Professor Marc Clements. The Rural Health Plan will be a wide ranging review on Rural Health issues and will seek to identify the particular health needs of rural communities and develop innovative proposals for how those needs could be better met in future. The review will be underpinned by detailed understanding of health needs informed through national needs assessment work (already undertaken by the Wales Centre for Health) and local assessment through the new Health and Social Care Wellbeing strategies of local health boards and local authorities. Given the clearly understood linkages between ill-health, poverty and deprivation across all age groups, the outcome of the rural health plan will be particularly important for how we tackle issues associated with poverty and deprivation across Wales and in particular how access to NHS services can be improved to meet the needs of disadvantaged groups.

Building Strong Bridges (BSB)

Building Strong Bridges (BSB) published in October 2002, identified opportunities to strengthen links between the NHS and the voluntary sector at national and local levels. The Welsh Assembly Government made £3 million available for three years to support the actions. Following the independent evaluation additional funding of £3 million was provided (2006- 2009) to support the work and *Designed for Life*.

BSB identified the need for the appointment of local Health & Social Care Facilitators for each Local Health Board (LHB) area and a National Facilitator to help strengthen the interface working between the statutory and voluntary sectors.

Mapping exercise

Mapping exercise - during 2006 a mapping of health, social care and well being services provided by voluntary organisations in Wales was undertaken. The findings identified that there are more than 4,000 voluntary organisations engaged in providing health and social care services in Wales with an annual budget of approximately £292 million (2004-5).

The exercise also highlighted that there are over 2,727 services being provided by the voluntary sector in Wales. These services are delivered to people in all parts of Wales, with an estimated 227- 436 services in each Local Authority. This equates to a range of 15 to 43 services per 10,000 population in different Local Authority / LHB areas across Wales. Reasons for this could be the location, with rural areas traditionally having a greater number of organisations, or the funding policy in the different areas.

Designed to Add Value – a third dimension

To inform future strategic developments between health and social care and the voluntary sector the Assembly Government has produced a draft strategic review (*Designed to Add Value – a third dimension*) in consultation with the voluntary and statutory sectors as part of *Building Strong Bridges*. This will help outline future directions for the voluntary and community sector in supporting delivery of health and social care across Wales. *Designed to Add Value – a third dimension* is out for consultation until 5th May and the final report will be disseminated at the BSB annual conference in summer 2008.

There are nine key themes in the document including *Improving access to services for disadvantaged and rural communities*. It recognises that the voluntary sector already has a key role in engaging with and supporting 'hard to reach' communities and supporting people's health and well being in rural communities. The role of the voluntary sector should be integral to the planning of local and national initiatives to reduce health inequalities.

The Children and Young People's Specialised Services Project (CYPSSP)

The Children and Young People's Specialised Services Project (CYPSSP) was established following a Ministerial announcement in October 2002 that the future for specialised health services for children in Wales would be through the development of Managed Clinical Networks.

The announcement followed the Review of Children's Specialist Services carried out by the former Specialised Health Services Commission for Wales (May 2002), now Health Commission Wales which found that Children's Specialised Services were delivered in an ad hoc and fragmented manner.

The project commenced in August 2003 with the appointment of a project manager.

The National Service Framework (NSF) for Children, Young People and Maternity in Wales

The Welsh Assembly Government recognises that the future prosperity and success of Wales resides with the children and young people of today and that quality services must be provided to ensure that all children and young people achieve their full potential and live happy satisfying lives.

This ethos is demonstrated in the National Service Framework (NSF) for Children, Young People and Maternity in Wales.

The NSF, launched in September 2005 is a 10-year strategy that sets national standards to improve and reduce variation in service delivery for children and young people. It contains 21 cross cutting standards and 203 measurable key actions, which put children, young people and their families at the core of services.

The standards and key actions are based on the 42 articles of the UN Convention on the Rights of the Child and the Welsh Assembly Government's seven core aims for children and young people.

This is not just a strategy for health, but for education, housing, leisure, transport and other local services, which strongly influence the health and well being of children.

Link Age

Tackling poverty crosses non devolved boundaries but a key objective of our Strategy for Older People is to develop and promote policies to address poverty. Link-Age Wales is a joint Assembly Government /Department for Work and Pensions (DWP) initiative. It aims to maximise income and take-up of benefits amongst older people through a "one-stop" approach. Implementation is progressing well and all local authorities have agreed to go live with Link Age. Reducing poverty and increasing benefit uptake among older people will continue to be a priority issue of our Strategy for Older People Phase 2 from April 2008.

Charging for Social Care

Under primary legislation local authorities are required to charge for the residential accommodation with social care they provide and have discretion as to whether to charge for the non-residential social services they provide. Hence authorities will set annually their own charges for providing such services and publish an annual charging policy. Subject to Assembly Government guidance outlined below, authorities are free to set charges and to include in their charging policies what they think is appropriate.

Those receiving these services will include both younger and older adults across Wales, including those with a disability. Many will rely on these services for their every day living, such as assistance with dressing, washing and eating, or in providing them with the accommodation they require to live in. A number may be receiving social security benefits linked to a disability or illness and while some will have substantial financial means, such as owning a property or having a pension or savings, a number will also have little or not such financial means. Organisations representing older and disabled people have argued for some time that having to pay for such services deters some individuals from taking them up.

To counter the risk to these individuals' independence and that charging for social services may contribute to the poverty and deprivation of those with little or no financial means, the Assembly Government has introduced financial safeguards for those in that situation. In relation to charging for residential care the Assembly Government has issued statutory guidance to local authorities which sets out the basis on which they should apply such charging. Under this the contribution a person makes to their residential care is determined by their capital (such as savings and the value of any property owned), with their actual charge assessed by taking account of their income (including most benefits and pensions).

In relation to charging for non-residential social services, the Assembly Government has issued good practice guidance to local authorities to help those who decide to charge to design reasonable and fair charging policies.

Both of these statutory requirements in relation to charging for residential and non-residential care provide financial protection for those on lower incomes or low levels of capital who are required to pay for their care, to negate the effects of this on their financial means and their access to services.

In addition the discretion local authorities have to charge for non-residential services, and to set the level of these, has resulted in some significant differences between authorities' charging policies and wide variability in the impact on service users. The Assembly Government is therefore seeking the power to legislate in the area of charging for non-residential care by means of a Legislative Competence Order. If this power is conferred on the Assembly, the Assembly Government intends to bring forward an Assembly Measure in order to achieve a fairer and more consistent approach to charging for all adult recipients of non-residential social services across Wales.

Department for Finance and Public Services Delivery (DFPSD)

Designing and delivering public services that are responsive to the needs of all citizens is at the heart of our approach to public service improvement in Wales.

In line with *One Wales* the Minister is putting in place a strategy for the continual improvement of local services aimed at embedding the imperatives of efficient citizen-centred services within the context of the Spatial Plan. In support of this the Minister is:-

- establishing Local Service Boards and Local Delivery Agreements covering every part of Wales;
- developing new methods of Citizen Centred Governance and Engagement to ensure that public sector organisations across Wales can align with the improvement agenda, and engage with citizens to identify priorities nationally, regionally and locally;
- providing the workforce development that will support a public service approach to delivery, rather than a purely sectoral one;
- consulting on the Spatial Plan in support of the *One Wales* agenda;
- facilitating and enabling partnership working and collaboration to achieve better ways of working; and
- delivering a more strategic approach to financial management within the Welsh Assembly Government and across Wales.

Local Service Boards

Local service boards have a leadership role in ensuring a concerted approach to dealing with problems that can only be resolved collaboratively and across sectors. Depending on local assessments of priority and need, that would include confronting the implications of those aspects of poverty and deprivation which are related to many of the most complex service delivery challenges. We expect them to evaluate the effectiveness of existing collaborative action, including the work of statutory and non-statutory partnerships, and identify ways of making it more effective. For example boards are variously likely to be active over:

- ensuring that targeted initiatives by different agencies and partnerships add value and do not duplicate each other;
- ensuring that mainstream services are provided equitably, and that all citizens, whatever their circumstances, are treated with dignity and respect by staff;
- ensuring that staff at all levels work effectively in partnership with citizens and other agencies to improve access to services and provide better support to individuals and families, and prevent problems at an early stage; and
- providing leadership in addressing strategic risks, such as rising fuel costs, to the health and well-being of rural communities and maximising the impact of public services in enhancing the local environment and promoting economic opportunity.

Citizen Centred Governance, Engagement and Access

Services can only be truly responsive to all of our citizens if the challenges some of our most disadvantaged citizens face are understood by public service providers. The Citizen-Centred governance principles provide a model approach for all public service bodies in Wales. In rural areas this means that we expect public service organisations to become progressively more sensitive and responsive to the needs of the citizens they serve – and better able to address the problems associated with poverty and deprivation.

The Minister is seeking to promote a far more innovative approach to the design and delivery of public services. Amongst other things we want service providers to be bolder and more open to working out new ways of tackling the problems associated with poverty and deprivation. We are in the early stages of scoping ways in which best practice and innovative models of service delivery can be encouraged and nurtured more systematically, drawing on Welsh, UK and international sources. In particular, the Minister has asked officials to research and recommend a way forward for a Centre for Innovation to stimulate home grown development, and to draw on knowledge and expertise from across the world to help deal with the big challenges facing public services in Wales.

Clearly appropriate use of technology can also be helpful. ICT tools can deliver significant, positive outcomes for citizens. The Minister wishes to see access transformed in a way that overcomes digital exclusion and provides viable e-services for disadvantaged groups. We need better evidence about their use of ICT (in particular for accessing public services) and about their requirements and problems. We need to apply best practice, drawing on the ways in which government, and the public and voluntary sectors in the UK and Europe, are improving their experience of using ICT. This approach will underpin the framework we are shaping over '*Transforming Access to Public Services for Citizens in Wales*'.

Developing a World Class Public Service Workforce

In June last year the Minister requested that *Public Service Management Wales (PSMW)* enhance its operation as a service initiative to become a Leadership Academy. The Academy will develop a Wales-wide leadership strategy which will address such issues as public service accreditation, bespoke development for existing and future managers and leaders, organisational development, and talent management. Over the course of the next three years, it will be developed to provide a range of programmes and services that are innovative in their design, of international standing, and address the development needs of Welsh public service managers and leaders. It is expected that all of this will propel a still stronger attack on inequity across the board.

Spatial Plan

One Wales commits us to put in place a strategy for the continual improvement of local services in Wales aimed at embedding the imperatives

of efficiency and citizen-centred services in the context of the *Wales Spatial Plan*.

The Plan supports the realisation of key objectives of *One Wales* and is being used to help integrate work across Departments within the Welsh Assembly Government, linking this with existing regional presence. Examples include the following.

- In Central Wales deprivation is one of the target indicators to underpin strategic intervention. Where there are barriers to innovative service through digital technologies we are adopting a cluster approach, together with improved accessibility, to allow services to be delivered in or near rural communities.
- In the Convergence Area of North Wales (Conwy, Denbighshire, Gwynedd and Anglesey) an exercise is underway to scope the current number and level of interventions designed to tackle economic activity. This will allow us to identify gaps or overlap in provision and to map interventions against areas of greatest deprivation.

The Minister will be taking account of agreed spatial priorities in future budget planning rounds to help inform decisions about elements of our expenditure.

Facilitating Partnership and Collaborative Working

One Wales includes a commitment to encourage procurement which provides incentives for offering training opportunities for the economically inactive. The inclusion of community benefits/social requirements in public sector procurement is designed to ensure that wider social and economic issues are taken into account when negotiating construction or service contracts. *Value Wales* has piloted the approach through a Community Benefits Pathfinders Project. This required contractors to employ and train a number of long-term unemployed people as part of three construction contracts. The three pilots (Porth Bypass in RCT; groundworks at the former Hotpoint site in Llandudno and the harbour causeway in Anglesey) were effective. A number of economically inactive people were recruited, trained and retained by contractors.

As a further example of what can be achieved, in relation to the design and construction of the Porth Lower Rhondda Fach Relief Road, 46 people who were long term economically inactive, were employed and given training to minimum NVQ level 2 and now have a secure future within the construction industry. A Community Benefits Project Board has been established and is supporting workshops to promote the use of 'community benefits/social requirements' in public sector procurement across Wales.

A Strategic Approach to Finance

Effective policy development and implementation relies on appropriate budget arrangements. Joint budgets have a potentially important role to play in facilitating greater cross-portfolio working to deliver objectives which cut across organisational or budgetary boundaries. We are keen to explore the scope for making greater use of such techniques in future.

One Wales includes a commitment to establish a strategic approach to capital investment. The resources for this investment total over £400m over the next three years. It is intended that this fund will be used for major investment projects, cross cutting projects and projects that are critical to the delivery of *One Wales*. The priorities emerging from the *Wales Spatial Plan* process will be taken into account in reaching decisions about the use of SCIB resources.

Department for Heritage (DH)

Libraries

The Public Libraries and Museums Act 1964 requires every local authority to provide a comprehensive and efficient library service and the Minister for Heritage to superintend the library services provided by local authorities.

Public libraries in Wales are able to help address issues of poverty and deprivation in a number of ways.

Literacy

Public libraries provide free access to books for all ages starting from the very earliest years by being partners in schemes such as Bookstart. Funded as part of the Welsh Assembly Government's Basic Skills Strategy, Bookstart provides an early introduction to books for young children. Packs of new materials can be ordered online at www.bookstart.org.uk or obtained through local library services, health visitors, or from professionals working with hard to reach groups. The packs consist of books and guidance materials provided free. New materials include:

- Bookstart for babies aged 0–12 months. The pack includes an English and a bilingual textbook, recommended reads, advice on book sharing, a rhyme time place mat and local information including an invitation to join the local library.
- Welsh Early Years pack for children between 18–24 months. The pack includes a book of traditional English and Welsh stories and songs, a CD, a scribble pad and crayons, a counting chart, recommended reads and an invitation to join the library.

ICT

All public libraries in Wales provide free access to the Internet. For families who do not have computers or Internet access at home this is a valuable resource. Libraries, being open and accessible to everyone, can provide a focus for communities as well as playing important roles in formal and informal lifelong learning. Many libraries can help users with ICT use, and they can also contribute to a person's information literacy skills.

The Welsh Assembly Government's forthcoming library strategy *Libraries for Life 2008-11* will feature a number of projects that will help libraries address issues of poverty and deprivation. For example, there is free access for all library members to a vast range of online reference resources and newspapers. There will also be a single online catalogue of all public and academic libraries in Wales, which members of the public will be able to search to locate material of interest. Future developments will facilitate the easy requesting of, and access to, these resources. These online services are available direct to the home if Internet access is available or free of charge at their local library.

Health

In the area of health, public libraries in Wales are working in partnership through Books Prescription Wales. This enables a GP to prescribe a

recommended self-help book for patients with mild or moderate mental health issues, and for the member of the public to be able to borrow this book from their local library for free, without having to be a member of the library. In many parts of Wales this scheme is also being extended to include a similar system of recommended self-help books for children.

Local Access

In addition to a network of public library buildings, most library services also provide a mobile library service that visits rural communities.

Research

A Welsh Assembly Government grant through CyMAL: Museums Archives and Libraries Wales division is funding research into rural information needs in Mid Wales. The research is being co-ordinated by Cadwyn y Canolbarth, a regional library partnership covering Powys and Ceredigion, and is being led by Aberystwyth University. The research will focus particularly on health needs. The same partnership is also conducting research into ethnic minority information needs.

Tourism

Tourism plays a vital role in helping to sustain the rural economy and is often the main source of employment in rural areas.

The Action Plan for the Countryside Experience, published in 2004 by a working group led by the former Wales Tourist Board (WTB), sets out key recommendations for the development and promotion of rural tourism and is being taken forward by those with a remit for the development of rural Wales.

The Welsh Assembly Government has invested heavily in the rural tourism product over recent years. The total amount of tourism grants awarded (since 1 April 2002) to those local authorities classed as rural is as follows:-

Number of Projects: 617
Total Grants Awarded: £40,782,130
Total Investment Generated: £202,395,505
FTE Jobs: 2,778

The ADFYWIO scheme was established to help stimulate rural economic recovery following the foot and mouth outbreak. The £5.2 million match-funding grant was aimed at providing financial support for projects which helped to integrate tourism businesses more closely with open air recreation, outdoor leisure and the natural environment. The types of projects supported have provided added value to rural businesses, enhanced natural resources, increased economic activity in local communities and provided employment opportunities.

Tourism Growth Areas were identified by the WTB to direct funding towards areas which have significant potential to develop tourism. This was a six year initiative with funding of £15m to support key tourism projects in each area. In the four rural areas that were specifically targeted (Betws y Coed, Dyfi Valley,

Wye Valley and Brecon Beacons) 1.81million was allocated in grant funding which generated a total investment of 6.7 million and created 177 jobs. The projects supported have been a mixture of accommodation improvements and infrastructure developments.

Sport

Increasing Arts and Sport Council Activity in deprived communities

The Welsh Assembly Government, through the Sports Council for Wales, is investing £250,000 a year in Wales' most recreationally and socio-economically deprived communities to develop sport and physical activity participation and support community regeneration. Training and funding has been provided to develop Community Champions who work with families and 16-24 year olds. Partnerships have also been established with Communities First groups, local authorities, local health boards, police forces and other voluntary groups (including black and minority ethnic) to provide a range of new sport and physical activity opportunities. This includes a pilot project that aims to increase access to leisure facilities for families in receipt of means tested benefits.

Summer Holiday Activities & Play Provision:

The Welsh Assembly Government will continue to invest £5m a year to provide free access to local authority swimming pools for children and young people during school holidays and will explore extending the scheme to other activities and at weekends to encourage easier access to sport and physical activity. The Assembly Government is also committed through One Wales to support pilot schemes for Saturday and summer schools for sport, music and the arts.

Child Poverty Improvement Plan

Increasing Arts and Sports Council activity in deprived communities

Sport and physical activity can provide an effective catalyst to help break the cycle of poverty by helping to raise levels of self esteem, confidence and self belief in young people.

Increased levels of sport and physical activity promoted better health thereby helping to reduce health inequalities, a key indicator used to determine poverty. If positive lifestyle choices can be encouraged from an early age, long term health benefits can be accrued.

Regeneration projects aim to develop capacity within deprived communities to deliver their own sport and physical activity in a sustainable way. These programmes are developing leadership skills in young people and also the wider life skills that will empower them to be able to take the steps to break their own cycle of poverty.

Inter-generational and social enterprise schemes are also helping to underpin changes in behaviour that will enable families and individuals to create their own exit route from poverty.

No single organisation can effectively deliver the range of sport and physical activity opportunities needed to help change the pattern of deprivation in these communities. A multi agency approach is therefore essential and the Local Authority Partnership Agreements (LAPA's) that the Sports Council for Wales (SCW) is currently establishing will help to ensure that this happens in a collaborative way between key partners and stakeholders.

The LAPA process will enable SCW investment to be more specifically directed to those communities in greatest need as strategic decisions will be made locally. This increases the likelihood of SCW investment activity being increasingly effective in deprived communities.

Summer Holiday Activities

Positive experiences for young people in sport and physical activity are more likely to result in them adopting healthy, active lifestyles into adulthood.

The success of the Welsh Assembly Government's Free Swimming initiative in engaging young people in activity can now be used to expand the variety of opportunities available during the summer holiday period and further enhance their enjoyment of physical activity.

Saturday and Summer Schools for sport will provide an important and complementary follow-on to the success generated by Dragon Sport and 5X60 initiatives in getting young people active and also a continuous outlet for the interest that has been created.

Department for Environment, Sustainability and Housing (DESH)

Fuel poverty

Fuel poverty is defined as 'the need to spend more than 10% of household income on domestic fuel to achieve a warm and healthy indoor environment.' There are three main factors which influence fuel poverty; cost of fuel, household income and dwelling energy efficiency. Fuel poverty is not evenly distributed across all household types. For households in rural areas it can be harder to reduce fuel bills, as properties are often off the gas network, and may have solid walls which are expensive to insulate.

The 2004 Living in Wales survey showed that the occurrence of fuel poverty was notably less in South Wales compared to the Mid and North regions. Further analysis suggests that this is due to households in South Wales having on average a lower fuel expenditure rather than them having higher incomes. The Welsh Assembly Government has commissioned further modelling of the survey to produce a small area fuel poverty indicator. This will enable us to examine the distribution of fuel poverty at a more local level.

The Home Energy Efficiency Scheme is now in the seventh year of Assembly funding, and has a budget of £19.6m for 2007/08. The scheme offers insulation and heating measures to households on qualifying benefits. Some households in rural areas may not be able to benefit from the most cost effective energy efficiency measures such as cavity wall insulation and gas central heating because of their construction or location. Alternatives such as electric or oil heating are available under the scheme. The Assembly Government has also carried out under the scheme some piloting of alternative solutions such as ground and air source heat pumps, and solar water heating. The results will inform what new measures might be mainstreamed within HEES in the future.

The new Carbon Emission Reduction Target (CERT) commitment for energy suppliers from April 2008 goes further than previous commitments in relation to crediting reductions through external insulation and microgeneration installations. This has the potential to be of particular benefit to rural householders.

We will be looking at our Fuel Poverty Strategy, and the role different grant and subsidy schemes have within it, as part of our work on a national energy efficiency and saving plan. This will include the issue of rural fuel poverty.

Housing

General

The Index of Multiple Deprivation indicates that people in rural areas are generally not disadvantaged relative to people in urban areas, except in relation to geographical access to selected key services. During recent years attention has therefore focused upon the affordability of housing in rural Wales, where the demands of in migrants and second home purchasers have often made it difficult for people working in the local economy to compete for

adequate housing. This is evidenced in the high ratios between local incomes and house prices in most rural authorities during 2006, as demonstrated in the table below.

Schedule 1 – House prices to income ratios				2006
<i>House price to income ratio based on 2/3 bedroom house prices and household earnings</i>				
Area and Region	Number of working households	Average household earnings (£)	Average house price (£)	House price to income ratio
Wales				
Elaenau Gwent	7,810	26,883	89,292	3.32
Bridgend	14,327	29,716	109,652	3.69
Caerphilly	17,452	31,520	110,034	3.49
Cardiff	35,007	33,052	154,502	4.67
Carmarthenshire	14,968	30,681	122,447	3.99
Ceredigion	5,968	26,718	159,120	5.96
Conwy	5,596	30,583	154,820	5.06
Denbighshire	7,693	26,649	131,152	4.92
Flintshire	14,623	30,988	134,422	4.34
Gwynedd	8,601	30,321	145,097	4.79
Isle of Anglesey	4,527	31,566	131,226	4.16
Merthyr Tydfil	5,534	31,021	90,168	2.91
Monmouthshire	9,614	34,325	172,355	5.02
Neath Port Talbot	12,024	29,032	97,307	3.35
Newport	14,211	32,363	125,038	3.86
Pembrokeshire	9,701	26,432	154,401	5.84
Powys	11,447	28,010	145,975	5.21
Rhondda, Cynon, Taff	23,834	30,113	86,198	2.86
Swansea	20,577	29,369	121,435	4.13
The Vale of Glamorgan	11,199	34,071	143,546	4.21
Torfaen	7,505	33,226	114,734	3.45
Wrexham	9,535	28,645	131,814	4.60
Wales	271,753	30,572	127,370	4.17

Source: Steve Wilcox: *Can't Buy: Can Rent. The affordability of private housing in Great Britain* (Hometrack, Winter 2007) p.43

The high levels of in migration to many parts of rural Wales during the first part of the decade have led to an imbalance between overall household formation and the supply of new housing as indicated in fig 1.

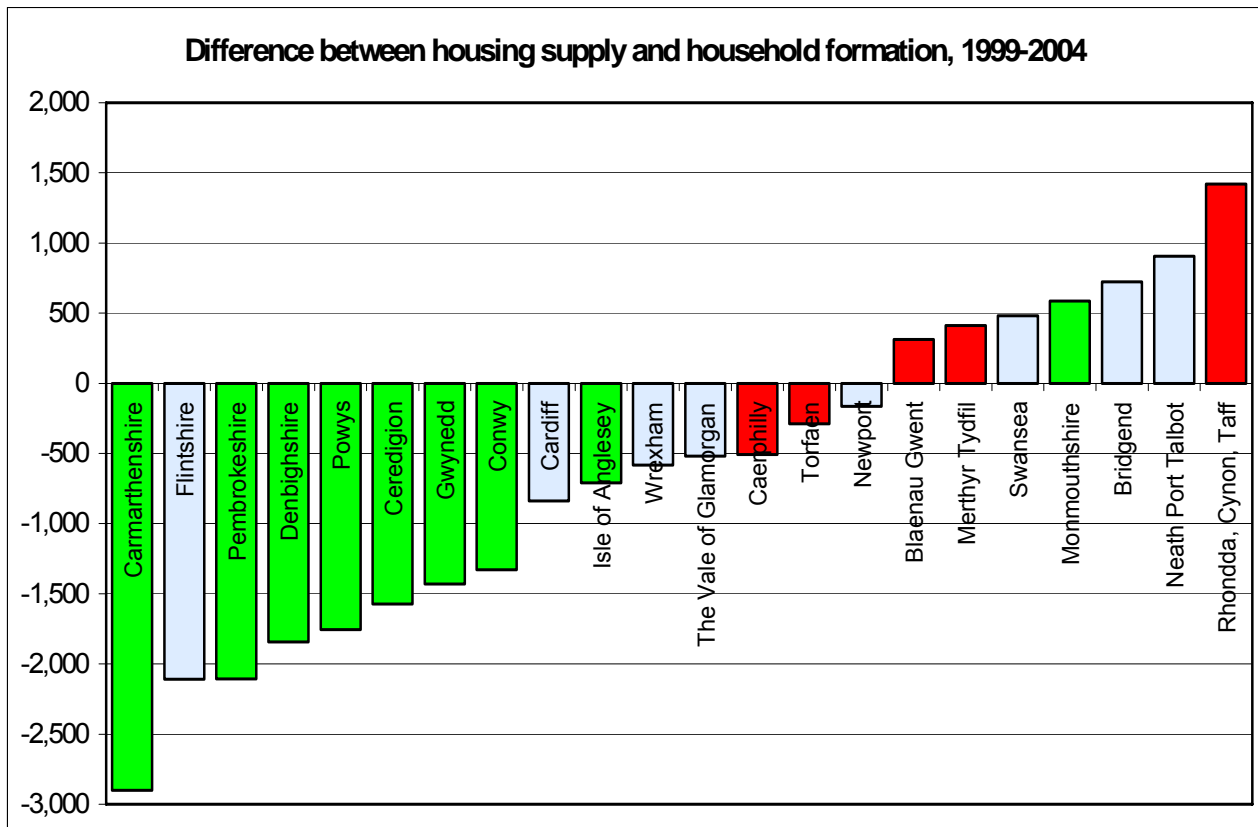


Fig 1

The Role of the Housing System in Rural Wales

In 2006 consultants were appointed to examine the role that the housing system is playing in changing the society and economy of rural Wales. Their report which can be downloaded at <http://new.wales.gov.uk/topics/housingandcommunity/research/sjrrr106?lang=en> suggests that the high level of in-migration was recognised as compounding local housing problems. Almost all respondents recognised the need to strengthen local economies to enable incomes to rise and in the process open opportunities to those marginalised within existing markets.

The report indicates that access to basic amenities and overcrowding have long ceased to be rural housing concerns but a significant minority of (older) dwellings remain in a state of disrepair in particular parts of rural Wales.

On the supply side, dramatic increases in the cost of development land and property prices, together with the net loss of social rented accommodation over the last couple of decades through the Right to Buy were constantly mentioned as significant causes of access and affordability problems in the Welsh countryside.

Homelessness is the extreme manifestation of deprivation. The latest homelessness statistics show that figures for rural areas are only slightly below those for urban areas.

Policy responses

A comprehensive package of measures aimed at improving the delivery of affordable housing was issued in 2006, comprising the Local Housing Market Assessment Guide, revised TANs 1 and 2, Ministerial Interim Planning Policy Statement 01/06 and the Affordable Housing Toolkit. A range of further policy interventions aimed at increasing the supply of affordable housing by at least 6,500 homes was outlined in the One Wales coalition agreement and these are currently being rolled out, together with a Legislative Competence Order aimed at drawing down power to suspend the Right to Buy in areas of housing pressure. The Social Housing Grant Budget has also been increased by £9.5m per annum in last year's budget.

The Assembly Government recognises the particular problems experienced by people facing homelessness in rural areas in accessing services, and is working to address this through guidance and funding. In the development of the new Housing Strategy and Homelessness Plan we will specifically address the problems of rural housing need and homelessness.

The Assembly Government funded research into rural homelessness in 2006 and the development of a report on good practice in tackling this issue. The report has just been completed and we will ensure that it is widely disseminated.

Housing Renewal Areas are the principal mechanism for achieving area based regeneration of the housing stock. In 2007-2008 Assembly Government funding amounted to £25.8 million. There are many examples of renewal areas in rural parts of Wales that have been very successful in regenerating rural communities. A good current example would be the renewal area in Llanwddyn in Powys which uses a biomass energy scheme to heat the local school and over 40 houses in the area. The scheme has also helped create local jobs with an emphasis on sustainability.

The tariff system for Supporting People Revenue Grant provides a rural allowance, which reflects the financial costs of delivering services in a rural area due to increased travel time and costs because of the geographical spread and limited availability of services. Our guidance to local authorities on planning services suggests ways in which local authorities may configure planning and consultation with providers to take account of rural issues.

Department for Economy and Transport (DE&T)

The Department undertakes an advisory and consultation role on many of the policies outlined under the work of other Departments.

Welsh Assembly Government Statistical Directorate

It is noted that the Committee has received separate written evidence from the Statistical Directorate on information relating to the cost of delivering public services in rural areas

Annex B

Extract from Rural Development Plan (statistics have been updated)

Gross Value Added (GVA) per head is generally accepted as the principal indicator of a regions economic performance. As can be seen from the table below, GVA per head in rural Wales is below the UK average. In the Isle of Anglesey, GVA per head is significantly low, just 53% of the UK average. Only in the Monmouthshire and Newport NUTS3 area is GVA per head above the Welsh average and approaching the UK average. GVA per head in rural Wales as a percentage of the UK average remained broadly constant over the period 1999-2005.

Gross disposable household income across rural Wales is also lower than the UK average. However, the inclusion of pension and social security payments in the calculation of household income means that the gap is not as large as for GVA per head.

It is important to remember that the low GVA per head in the NUTS 3 areas may not necessarily represent poor economic performance in rural areas. While being classed as predominantly rural, most of the NUTS 3 areas shown in Table 5 also contain poorly performing urban areas, for example, Holyhead on the Isle of Anglesey and Pembroke Dock in Pembrokeshire.

Table 5: GVA and Gross Disposable Household Income in Rural Wales

NUTS 3 Area	GVA per head, 2005	Index of GVA per head, 2005 (UK =100)	Gross Disposable Household Income, 2005 (UK=100)
UK	17,827	100	100
Wales	13,784	77	89
Isle of Anglesey	9,392	53	89
Gwynedd	12,735	71	87
Conwy and Denbighshire	11,874	67	94
South West Wales	10,859	61	82
Powys	12,418	70	89
Monmouthshire and Newport	17,808	100	94

Source: Office for national Statistics (ONS)

Table 6 compares the employment, unemployment and economic inactivity rates (all expressed as a percentage of the working age population) for the UK, Wales and the nine rural unitary authorities in Wales.

Table 6: The employment, unemployment and economic inactivity rates in Rural Wales for year ending 30 June 2007¹

% of working age population	Employment Rate	Unemployment Rate	Economic Inactivity
UK	74.2	5.4	21.6
Wales	71.1	5.6	24.8
Isle of Anglesey	69.5	6.2	26.0
Gwynedd	72.3	4.2	24.6
Conwy	74.4	4.4	24.3
Denbighshire	72.3	4.5	21.5
Ceredigion	63.0	6.2	32.9
Pembrokeshire	75.7	3.9	21.2
Carmarthenshire	70.2	4.9	26.2
Monmouthshire	77.5	3.6	19.6
Powys	75.6	3.4	21.8

Source: Annual Labour Force Survey, ONS

Of the nine predominantly rural Unitary Authorities (UAs) in Wales, only Monmouthshire and Pembrokeshire compare favourably to the UK across all three labour market indicators. The employment rate of the Rural UAs as whole is 72.5%, midway between the Wales and UK rates. The average unemployment rate in rural areas is below that of the Wales and the UK. Although the average inactivity rate (24.1%) is below that of Wales, it is still some way above the UK inactivity rate.

The female employment rate remains lower and the female inactivity remains higher than that for males across all areas. However, in rural Wales, increased female participation in the labour market in recent years has meant that there has been some convergence in these rates.

The lower than average employment rates and higher than average economic inactivity rates in Ceredigion and Carmarthenshire can be explained by the presence of University of Wales campuses and the number of people of working age that are studying. When full-time students are excluded from the inactivity figures, these UAs have inactivity rates more in line with the UK average.

Data from the Labour Force Survey suggests that the labour market in Rural Wales has been strong in recent years. The number of people employed in the Rural UAs increased by 10.6% between 1999 and June 2007 (the employment rate increased from 69.3% to 72.5% over the period). This compares to figures of 8.9% and 5.5% for 'all-Wales' and the UK respectively. The ILO unemployment rate in the Rural UAs dropped from 6.8% in 1999 to 4.3% in June 2007

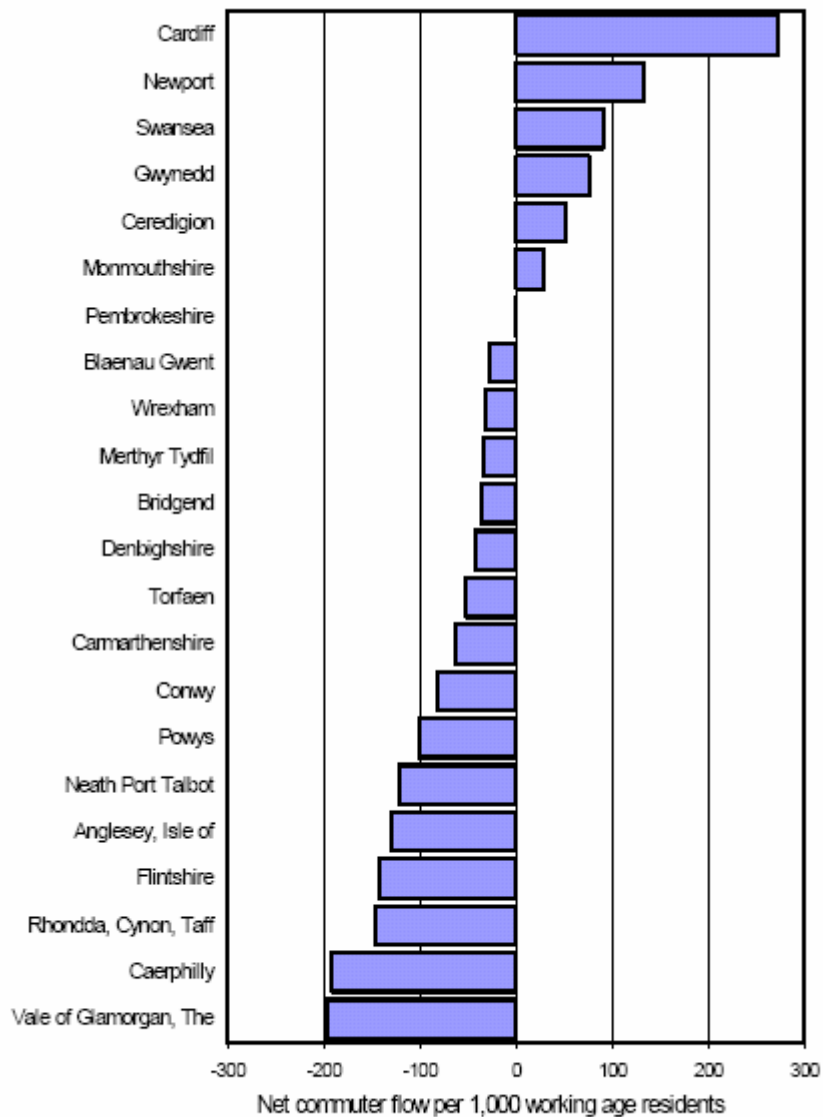
¹ Some data based on small sample sizes. * Data not sufficiently robust for publication.

The proportion of the working age population in Wales who are working and who are self-employed is 9.5%. In rural Wales, the figure is 14.2%. Self-employment rates are particularly high in Powys (19.2%) and Ceredigion (20%).

High levels of self-employment are typical in areas that have a relatively high dependency on the agricultural sector. Not surprisingly, this is the case in the predominantly rural UAs. The proportion of civilian workforce jobs that are in the agricultural sector in Powys and Ceredigion is 13.3% and 10.3% respectively. This compares to a figure of 2.8% for Wales as a whole. Agriculture represents a higher than average share of total civilian workforce jobs in all of the predominantly rural UAs with the exception of Monmouthshire.

There is no clear picture with regards to commuting trends in the Rural UAs. As shown by the chart below, there is net in-commuting in Gwynedd, Ceredigion and Monmouthshire but net out-commuting in Denbighshire, Carmarthenshire, Conwy, Powys and the Isle of Anglesey. In Pembrokeshire, broadly equal numbers of people commute in and out for work. Approximately 6,000 residents of the Isle of Anglesey work in Gwynedd.

Chart: Net in-commuting flow as a proportion of the working age population, 2006.



Source: Annual Population Survey, 2006

There appears to be a significant variation in wages across rural Wales². As Table 7 shows, average gross weekly earnings in the Isle of Anglesey, Gwynedd, Conwy & Denbighshire in 2007 was £465.80 this compares to a figure of £427.70 in Powys & Monmouthshire. However, even on the Isle of Anglesey, average earnings are only 85% of the UK figure.

Recent data suggests that earnings in parts of Rural Wales have been increasing at a faster rate than the UK as a whole. Between 1999 and 2006, earnings in Isle of Anglesey, Gwynedd, Conwy & Denbighshire and Powys &

² ONS do not consider the earnings data by gender to be precise (due to excessive sampling variability). ONS have rated the data as 'reasonably precise' or in some cases only 'acceptable'.

Monmouthshire increased by 39.4% and 36% respectively. This compares to average earnings growth of 33.9% in the UK over the same period.

While a gap between average male earnings and average female earnings exists in rural Wales, the data suggests that the gap is smaller than across the UK as a whole.

Table 7: Average gross weekly earnings for a full-time employee on adult rates in 2007 by gender

Area	Average gross weekly earnings of full-time employees (£)	As a percentage of the UK average
Persons		
UK	549.8	100%
Wales	472.1	85.9%
Isle of Anglesey, Gwynedd, Conwy & Denbighshire	465.8	84.7%
Ceredigion, Pembrokeshire & Carmarthenshire	458.5	83.4%
Powys & Monmouthshire	427.7	77.8%
Males		
UK	606.1	100%%
Wales	510.7	84.3
Isle of Anglesey, Gwynedd, Conwy & Denbighshire	508.0	83.8%
Ceredigion, Pembrokeshire & Carmarthenshire	489.8	80.8%
Powys & Monmouthshire	458.7	75.7%
Females		
UK	462.8	100%
Wales	417.6	90.2%
Isle of Anglesey, Gwynedd, Conwy & Denbighshire	405.6	87.6%
Ceredigion, Pembrokeshire & Carmarthenshire	419.0	90.5%
Powys & Monmouthshire	386.9	83.6%

Source: Annual Survey of Hours and Earnings, ONS

The relatively low average earnings in Rural Wales partly reflect differing industrial and occupational structures.

Figure 1 compares a breakdown of employee jobs by industry for the UK, Wales and Rural Wales. Compared to the rest of Wales and the UK, rural Wales has a lower proportion of total employee jobs in the manufacturing and financial intermediation sectors (which tend to be relatively high paid) and higher levels of employment in the public sector and distribution, hotels and catering.

The breakdown of employees by broad occupational group (Figure 2) provides further explanation for average wages generally being lower in rural Wales than the rest of Wales and the UK. Compared to the UK, rural Wales has a relatively high proportion of people employed in skilled trade and elementary occupations but relatively few in the higher end managerial, professional and technical occupations.

Figure 1

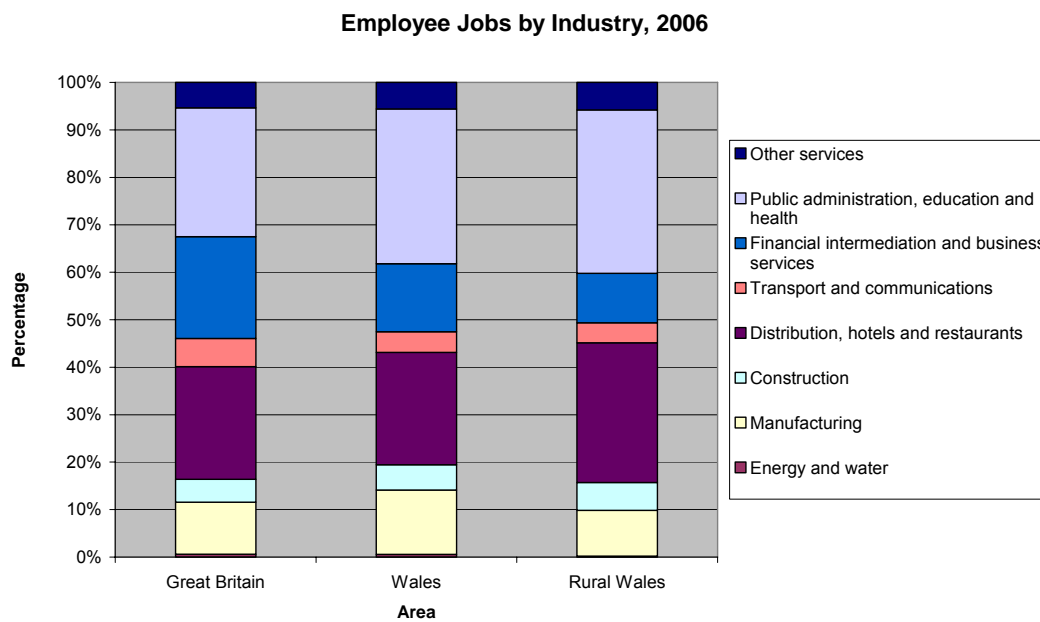
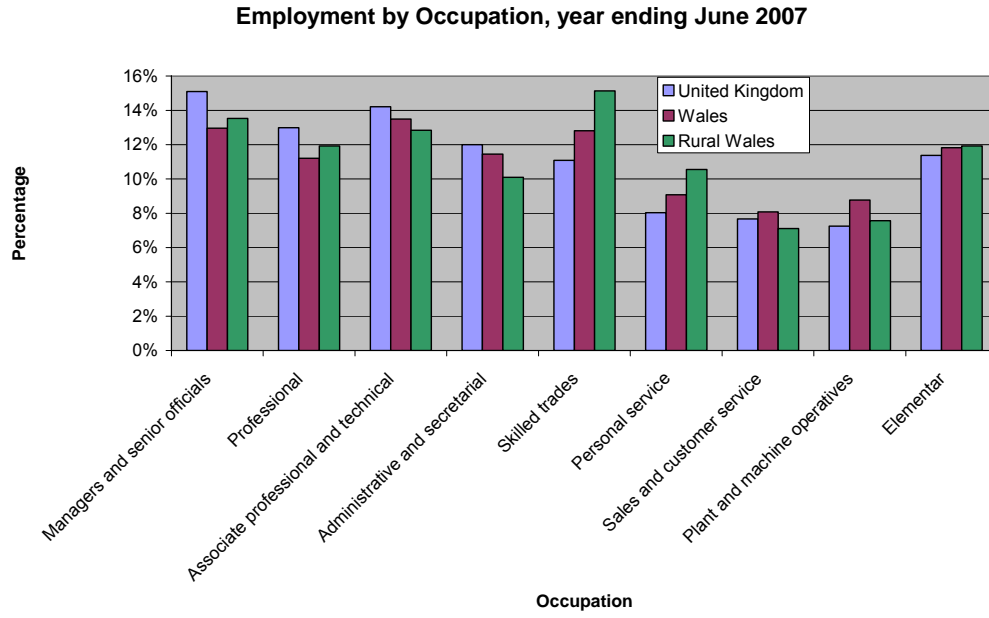


Figure 2



Annex C: Comparison of RAISE grant with percentage of total and fsm pupil numbers (by LEA)

LEA	RAISE 2006-2007	%	Total pupils 5- 15 - 2006 PLASC	%	Number eligible for fsm	%	RAISE & fsm %age comparison	RAISE & total pupil %age comparison
Isle of Anglesey	314,575	2.16	10,193	2.10	1,602	2.05	0.11	0.06
Gwynedd	210,393	1.44	18,251	3.76	2,244	2.88	-1.44	-2.32
Conwy	296,442	2.03	17,275	3.56	2,244	2.88	-0.85	-1.53
Denbighshire	186,379	1.28	16,602	3.42	1,964	2.52	-1.24	-2.14
Flintshire	304,656	2.09	24,845	5.12	2,611	3.35	-1.26	-3.03
Wrexham	373,160	2.56	19,075	3.93	2,573	3.30	-0.74	-1.37
Powys	174,099	1.19	20,189	4.16	1,863	2.39	-1.20	-2.97
Ceredigion	154,488	1.06	10,382	2.14	1,102	1.41	-0.35	-1.08
Pembrokeshire	358,117	2.46	19,453	4.01	2,704	3.47	-1.01	-1.55
Carmarthenshire	687,511	4.71	27,654	5.70	4,042	5.19	-0.48	-0.99
Swansea	1,571,817	10.78	36,103	7.45	6,562	8.42	2.36	3.33
Neath Port Talbot	955,662	6.55	22,148	4.57	4,322	5.55	1.00	1.98
Bridgend	685,637	4.70	22,767	4.70	3,957	5.08	-0.38	0.00
The Vale of Glamorgan	188,292	1.29	22,008	4.54	2,363	3.03	-1.74	-3.25
Rhondda,Cynon,Taff	2,126,466	14.58	41,407	8.54	9,022	11.57	3.01	6.04
Merthyr Tydfil	609,135	4.18	9,957	2.05	2,486	3.19	0.99	2.13
Caerphilly	1,004,545	6.89	30,486	6.29	5,656	7.26	-0.37	0.60
Blaenau Gwent	680,855	4.67	11,407	2.35	2,510	3.22	1.45	2.32
Torfaen	442,348	3.03	16,697	3.44	2,685	3.44	-0.41	-0.41
Monmouthshire	110,667	0.76	12,923	2.67	1,186	1.52	-0.76	-1.91
Newport	984,134	6.75	24,802	5.15	4,719	6.05	0.70	1.60
Cardiff	2,165,203	14.85	50,275	10.36	9,527	12.22	2.63	4.49
Wales	14,584,581	100.01	484,899	100.01	77,944	99.99		