

Agenda – Y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol

Lleoliad: I gael rhagor o wybodaeth cysylltwch a:
Fideogynhadledd drwy Zoom Rhys Morgan
Dyddiad: Dydd Llun, 4 Hydref 2021 Clerc y Pwyllgor
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Yn unol â Rheol Sefydlog 34.19, mae'r Cadeirydd wedi penderfynu bod y cyhoedd wedi eu gwahardd o gyfarfod y Pwyllgor er mwyn diogelu iechyd y cyhoedd. Caiff y cyfarfod hwn ei ddarlledu'n fyw ar www.senedd.tv

Rhag-gyfarfod preifat

(13.00 – 13.15)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau (13.15)

2 Dyled a'r pandemig – gwasanaethau cyhoeddus

(13.15 – 14.15)

(Tudalennau 1 – 32)

Rob Simkins, Rheolwr Ymgyrchoedd Shelter Cymru

Will Henson, Rheolwr Polisi a Materion Allanol Cartrefi Cymunedol Cymru

Lisa Hayward, Swyddog Polisi Diwygio Lles Cymdeithas Llywodraeth Leol Cymru

Egwyl

(14.15 – 14.30)

3 Dyled a'r pandemig – effaith ar grwpiau â nodweddion gwarchoddedig

(14.30 – 15.15)

(Tudalennau 33 – 39)

Lee Tiratira, Arweinydd Tîm Ieuenctid a Gweithiwr Prosiect BME CYP,

Lleiafrifoedd Ethnig a Thîm Cymorth Ieuenctid (EYST)



Cerys Furlong, Prif Weithredwr Chwarae Teg

Egwyl

(15.15 – 15.30)

4 Dyled a'r pandemig – credyd fforddiadwy

(15.30 – 16.15)

(Tudalennau 40 – 47)

Claire Savage, Swyddog Polisi Undebau Credyd Cymru

Sara Burch, Rheolwr Undeb Credyd Gateway

Karen Davies, Prif Weithredwr Purple Shoots

Egwyl

(16.15 – 16.30)

5 Dyled a'r pandemig – melinau trafod

(16.30 – 17.00)

(Tudalennau 48 – 78)

Steffan Evans, Swyddog Polisi ac Ymchwil Sefydliad Bevan

6 Papurau i'w nodi

(17.00)

6.1 Gohebiaeth gan y Gender Network ynghylch cydraddoldeb rhywiol – 15 Medi 2021

(Tudalennau 79 – 81)

6.2 Gohebiaeth gan Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad ynghylch diogelu gwybodaeth ddirgel – 21 Medi 2021

(Tudalen 82)

6.3 Gohebiaeth gan Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad ynghylch y Memorandwm Cydsyniad Deddfwriaethol ar Fil yr Heddlu, Troseddu, Dedfrydu a'r Llysoedd – 22 Medi.

(Tudalennau 83 – 84)

6.4 Ymateb i ymgynghoriad Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol gan Gyngor Gweithredu Gwirfoddol Cymru a Chanolfan Llywodraethiant Cymru

(Tudalennau 85 – 95)

7 Cynnig o dan Reol Sefydlog 17.42(ix) i benderfynu gwahardd y cyhoedd o weddill y cyfarfod

(17.00)

8 Ystyried tystiolaeth – dyled a'r pandemig

(17.00 – 17.15)

9 Ystyriaeth o Femorandwm Cydsyniad Deddfwriaethol y Lluoedd Arfog

(17.15 – 17.30)

(Tudalennau 96 – 118)

Mae cyfyngiadau ar y ddogfen hon

CARTREF YW POPETH HOME IS EVERYTHING



Shelter Cymru's response to the Senedd Cymru, Equality and Social Justice Committee Inquiry, Debt and the Pandemic.

About Shelter Cymru

We exist to defend the right to a safe home because **home is everything**. We help thousands of people across all of Wales every year who have been affected by the housing emergency by offering free, confidential, and independent advice. When necessary, we constructively challenge on behalf of people to ensure they are properly assisted and to improve practice and learning.

We work with people who use our services as equals. We provide information, advice, and support to help people identify the best options to prevent homelessness, to find and keep a home and to help them take back control of their own lives.

We fight the devastating impact the housing emergency has on our people and communities with campaigning, advice, and support – and we never give up.

Our Response

The effectiveness of the Welsh Government's overall approach to tackling debt-related issues during the pandemic, and to consider how its policy might need to develop over the coming months to address upcoming challenges.

- Whilst initially welcomed, the original scope of the Tenancy Saver Loan meant that many people weren't able to access this support;
- The change to the Tenancy Hardship Grant is a positive move, however it is probably too early to measure the scheme's success;
- Additional 'top-ups' to Discretionary Housing Payment¹ by the Welsh Government and local authorities has been shown to be necessary and we support these actions;
- We supported the decision to ban evictions during the pandemic as this undeniably prevented people being evicted into homelessness as a result of debt and/or other reasons;

¹ <https://gov.wales/written-statement-extension-tenancy-saver-loan-scheme-and-additional-funding-discretionary-housing>

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- We strongly agree with the decision to retain the six month notice period² for evictions in Wales and believe that in the interest of protecting tenants and to avoid confusion, this should remain in place until the Renting Homes (Wales) Act comes into force in 2022;
- The drive to house people who became homeless remains the right decision and we are pleased to see the Welsh Government commit to continuing this approach and abolishing policies such as priority need and intentional homelessness³;
- We believe the focus now needs to be on getting people from temporary accommodation into sustainable, long-term solutions – and supporting people to do this without prejudice toward their financial situation;
- The Welsh Government, local authorities and housing associations need to show flexibility in supporting tenants with former tenant arrears, given the extraordinary situation many people have found themselves in.
- It is important to note that former tenant arrears was an issue prior to the pandemic⁴ and will now have been exacerbated for many people, further widening societal inequalities and stopping people from having a safe place to call home;
- It is welcome that the Welsh Government intends to introduce affordability of social rents as an indicator in the revised Regulatory Framework. We are concerned however about a lack of clarity about how the Welsh Government defines affordability. The current rent settlement of CPI+1% is arguably not affordable for many tenants during the pandemic.

The impact of individual debt on public services during the pandemic and beyond, and to explore whether changes could be made to the approaches that public bodies are taking to debt recovery.

² <https://gov.wales/written-statement-use-powers-under-coronavirus-act-2020-residential-tenancies-extension-period-0>

³ <https://twitter.com/ShelterCymru/status/1441012867109736461>

⁴ <https://www.bbc.co.uk/news/uk-wales-49496377>

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- Welsh Government research⁵ shows that council tax arrears have increased significantly as a result of the pandemic. It is vital that local authorities communicate effectively so as not to push people into homelessness as a result of taking action to recover debt on areas such as council tax arrears;
- We have warned about the rise in the number of illegal evictions⁶ our advice services have seen throughout the pandemic. In all four police areas in Wales, we have encountered police assisting illegal evictions of tenants from their homes. Many households in Wales are behind on a bill or have borrowed money⁷ and research by the Bevan Foundation⁸ shows one in five people are worried about losing their home;
- It is vital that police services are not contributing to increased debt and/or homelessness in Wales by helping to facilitate illegal evictions of people from their homes. We believe that people deserve to be treated with compassion and flexibility, regardless of their financial situation and its impact on their lives and suggest that additional training may be a solution to this issue we are seeing.
- Rent Smart Wales have acknowledged an additional training need for landlords and have agreed to revise their mandatory training to help to resolve this issue too.
- Welsh Government figures show that while rent arrears among housing associations initially increased during lockdown, they soon levelled off and then began to decrease.⁹ Our engagement with social landlords indicates that a major factor behind this has been the necessity for landlords to abandon old ways of working, due to their lack of eviction powers, and increase support-based approaches. There has been much useful learning about how to work effectively with tenants in rent arrears and prevent evictions, which we are hoping will be taken forward into the future.

⁵ <https://stats.wales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Collection/arrearsofcounciltax-by-billingauthority>

⁶ <https://whq.org.uk/the-magazine/issue/120/alarming-trends/>

⁷ <https://www.bevanfoundation.org/wp-content/uploads/2021/09/Debt-in-the-pandemic.pdf>

⁸ <https://www.bevanfoundation.org/wp-content/uploads/2021/06/Snapshot-of-poverty-in-spring-2021.pdf>

⁹ <https://gov.wales/sites/default/files/publications/2021-08/registered-social-landlords-business-continuity-survey-june-2021.pdf>

CARTREF YW POPETH HOME IS EVERYTHING



How different groups have experienced debt issues throughout the pandemic, and whether Welsh Government policy interventions have met the needs of particular groups.

- A number of reports illustrate how issues with debt throughout the pandemic have disproportionately affected some groups of people and not others;
- Shelter Cymru's research¹⁰ showed that people hit hardest financially were people on lowest incomes and that a disproportionate amount of people with children were more impacted;
- These findings are reinforced by the Bevan Foundation¹¹ who illustrate that renters, disabled people, 25-49 year olds, lone parents and BAME households were all at a "heightened risk" of problem debt during the pandemic;
- Their earlier research¹² also showed that households on higher incomes saw their income increase, while the reverse was the case for households with a net income of less than £20,000;
- As such, we welcomed initiatives by the Welsh Government such as the tenancy hardship grant, increased eviction protection and top-ups to DHP and Discretionary Assistance Fund budgets. However, the situation is still extremely serious, our own advice services report that Section 21 eviction notices in July 2021 were close to double that of July 2019, pre-pandemic;
- Trends like this will only continue to exacerbate existing issues for people and are likely to contribute to pushing more people further into debt and/or homelessness.

The effectiveness of mechanisms such as the Discretionary Assistance Fund and affordable credit in providing assistance to those most in need during the pandemic, and what changes could improve future delivery.

¹⁰ https://sheltercymru.org.uk/wp-content/uploads/2020/11/Life-in-lockdown-in-Wales_Nov-2020.pdf

¹¹ <https://www.bevanfoundation.org/wp-content/uploads/2021/09/Debt-in-the-pandemic.pdf>

¹² <https://www.bevanfoundation.org/wp-content/uploads/2021/06/Snapshot-of-poverty-in-spring-2021.pdf>

CARTREF YW POPETH HOME IS EVERYTHING



- In a similar situation to the issues with the Tenancy Saver Loan, we have seen significant numbers of applications to DAF rejected¹³, many due to a cap on the number of applications people can make;
- The discretionary approach to many support schemes can often act as a barrier to people accessing much needed support. This is something we have seen with homelessness policies, such as priority need and DHP;¹⁴
- We believe that the Welsh Government and local authorities across Wales are better placed moving away from a discretionary approach, where people are forced to re-live their trauma to prove eligibility, to a more person-centred and rights-based approach to support, which speeds up the support process for people and families who need it;

¹³ <https://www.bbc.co.uk/news/uk-wales-56258809>

¹⁴ <https://sheltercymru.org.uk/blog-what-is-priority-need/>



Equality and Social Justice Committee inquiry into the level of indebtedness during the pandemic

Response from Community Housing Cymru

September 2021

Introduction

Community Housing Cymru is the membership body for more than 70 not-for-profit housing associations and community mutuals and is the leading voice for the social housing sector in Wales. We welcome the opportunity to respond to the Committee's consultation on the priority issues to consider when planning its future work programme.

Summary

The economic impact of the coronavirus pandemic has manifested in an increased number of housing association tenants in serious levels of rent arrears. The year following March 2020 saw a 22% increase in the number of tenants owing more than thirteen weeks worth of rent to their housing association, a concerning trend for both tenants and housing associations.

A voluntary arrangement to prevent repossessions by housing associations and legal interventions by Welsh Government have significantly reduced the number of tenants evicted for rent arrears across both the private and social rented sectors.

Two new financial interventions have been made by Welsh Government to support tenants in rent arrears, the Tenancy Saver Loan and the Tenancy Hardship Grant. However, the vast majority of housing association tenants are ineligible for this support.

The pre-existing Discretionary Housing Payments, administered by local authorities and funded by UK Government, have continued to provide some level of support to housing association tenants. These payments are only available to tenants in receipt of Housing Benefit or Universal Credit.



Response to specific questions

- 1. The effectiveness of the Welsh Government's overall approach to tackling debt-related issues during the pandemic, and to consider how its policy might need to develop over the coming months to address upcoming challenges.**

We believe housing related debt has been of concern to Welsh Government throughout the pandemic, particularly the potential of high levels of individual rent arrears amassing due to the economic impact of the virus. The initial response focussed on the housing security of people in high levels of arrears, through restrictions on the ability of landlords of all tenures to repossess homes. This was achieved through various interventions under powers contained within the Coronavirus Act 2020 and Section 45C of the Public Health (Control of Disease) Act 1984. One intervention remains in force, namely the temporarily extended notice periods landlords must give tenants before applying to court for possession, a measure currently due to expire on the 30th September 2021 (as of 22nd September). Welsh Government retains the power to temporarily extend notice periods under the Coronavirus Act 2020 until its expiry in March 2022.

These interventions have had their most significant impact in the private rented sector (PRS), as the social rented sector (housing associations and local authorities) voluntarily ceased repossession activity shortly after the first lockdown was declared in March 2020.¹

Impact of the pandemic on rent arrears

It is difficult to argue that legal interventions have reduced the level of indebtedness of tenants to landlords in terms of rent arrears. It is more likely that these interventions, although crucial to protect public health, have in fact increased the personal rent arrears of some tenants in the social rented sector.

However, the total arrears owed to housing associations by all tenants has remained stable over the pandemic², due to the significant measures put in place by housing associations in supporting tenants to avoid and resolve debt.

¹ <http://financialassistanceprotocol.wales/>

² <https://gov.wales/sites/default/files/publications/2021-08/registered-social-landlords-business-continuity-survey-june-2021.pdf>



In addition to preventing evictions due to rent arrears caused by the pandemic, housing associations pledged to:

- Help tenants get the financial support they need:
 - Support to navigate the welfare system and access Universal Credit and other benefits that people are entitled to
 - Supporting people to access emergency payments to meet their energy costs
 - Delivering emergency food parcels or supporting them to access services such as food banks
 - Supporting people to access other emergency grants and support that may be available
 - Ensuring that no tenants are left with unmanageable housing related debts when the coronavirus crisis is over
- Support tenants and find solutions if they have difficulty paying rent.
- Do everything they can to support tenants' wellbeing:
 - Accessing community and support services digitally to keep tenants and staff safe
 - Support to access mental health and other community health services
 - Online groups and phone calls to check in on tenants' wellbeing and to support them if they are lonely or isolated
 - Regularly contacting their most vulnerable tenants to ensure they are able to access the support that is available

Despite these interventions, the impact of the pandemic on rent arrears has been unequal. Unpublished research by Community Housing Cymru (CHC) has attempted to quantify the changes in the number of tenants in serious rent arrears across the first year of the pandemic. Between March 2020 and March 2021, both the number and proportion of housing association tenants in serious arrears³ increased by roughly a quarter. The number of housing association tenancies in very serious levels of arrears, i.e owing more than thirteen weeks' rent increased by 22% over the year.

³ In this context, two definitions of serious arrears were used. More than eight weeks' worth of rent in arrears and more than thirteen weeks' worth of rent in arrears.



Additional government support for rent arrears during the pandemic

Welsh Government have developed two schemes over the course of the pandemic to address rent arrears. However, these schemes have focused on the PRS in the main, with only a very small number of housing association tenants eligible for either scheme.

The Tenancy Saver Loan (TSL) scheme provided PRS tenants with access to 1% APR loans to be paid directly to their landlord to address rent arrears. This scheme opened in October 2020 and has since been superseded by the Tenancy Hardship Grant. The TSL processed few loans, with 41 issued between its inception and the end of April 2021.⁴ In response to this, Welsh Government developed the Tenancy Hardship Grant (THG)⁵, a replacement for the TSL providing grants to PRS tenants who have built up more than eight weeks of rent arrears during the pandemic. However, only a very small number of private tenants of housing associations are eligible for this grant. No social rent tenants are eligible for support through the THG.

Pre-existing support for rent arrears

Discretionary Housing Payments (DHPs) are available to cover housing costs for those claiming Housing Benefit or the housing element of Universal Credit and are in housing distress due to debt. These payments are funded by UK Government and administered through Welsh local authorities. Welsh Government has the capability to 'top up' the funding for local authorities to deliver these payments, and has done so once in the past, but during the pandemic has chosen to focus on the Discretionary Assistance Fund (DAF). We believe this to be sensible, as the DAF is available to all whereas DHPs are only available to those in receipt of housing benefits. However, the DAF must remain flexible and accessible to tenants in debt.

- 2. The effectiveness of mechanisms such as the Discretionary Assistance Fund and affordable credit in providing assistance to those most in need during the pandemic, and what changes could improve future delivery.**

CHC welcomed the flexibilities to the Discretionary Assistance Fund (DAF) that Welsh government brought in as a response to the COVID-19 pandemic. The budget for DAF was increased, more frequent payments were allowed and the qualifying

⁴ <https://gov.wales/sites/default/files/publications/2021-05/atishn15059.pdf>

⁵ <https://gov.wales/tenancy-hardship-grant-private-rented-sector-tenants-coronavirus>



criteria were made more flexible. We also fully support the recent Welsh government announcement of an extension of the DAF flexibilities to March 2022.

However, the Bevan Foundation and Child Poverty Action Group recently raised concerns⁶ that the number of DAF applications sharply decreased in the run up to the end of a period of flexibility. Financial hardship will not come to an end for people in Wales in 2022. We recommend that the Welsh government builds on the recent success of the DAF to create a more permanent adjustment to flexibilities which better meet the needs of people in Wales when they fall into financial crisis.

For more details, please contact:

Will Henson

Will-Henson@chcymru.org.uk

⁶ <https://www.bevanfoundation.org/views/removing-emergency-support/>

Equality and Social Justice Committee - Evidence Session

- **The effectiveness of the Welsh Government's overall approach to tackling debt-related issues during the pandemic, and to consider how its policy might need to develop over the coming months to address upcoming challenges.**

The perception is that WG provision for persons on a low income or in debt is better than over the border. However, we cannot ignore that the majority of advice previously sought for these matters has been via face-to-face channels. Whilst organisations have been able to adapt and offer online and telephone facilities, there will remain a sector that have yet to access support. Better targeted funding / publicity for 3rd sector debt advisory agencies is required or direct funding to make arrangements in house through Local Authorities who have a better understanding of their communities.

The Welsh Government website clearly points to advice available but what is needed is further investigation as to how easy it is to actually access the advice, especially if you are digitally excluded or with additional support needs. Most people can find what they need online with a little patience yet for those without such access and support where are they able to get the vital support they need.

<https://gov.wales/work-skills-financial-support>

- **The impact of individual debt on public services during the pandemic and beyond, and to explore whether changes could be made to the approaches that public bodies are taking to debt recovery.**

Our response here focuses on Council Tax. The key factor to success is the level of engagement with the debtor. Once engaged the local authority is able to identify whether there should be an entitlement to Council Tax Reduction Scheme (CTRS) and other welfare benefits and signpost accordingly. They are also able to offer support in many other areas all of which can only be achieved once engagement commences.

Luckily in Wales anyone who is entitled to receive 100% support through the CTR Scheme will receive it. There is no chargeable element like in many English areas. No postcode lottery exists, and everyone follows the same set of regulations with the prescribed amounts defined in law.

During the first months of the pandemic, we saw caseloads rise significantly from 274,800 at the beginning of April 2020 to around 285,900 at the end of July.

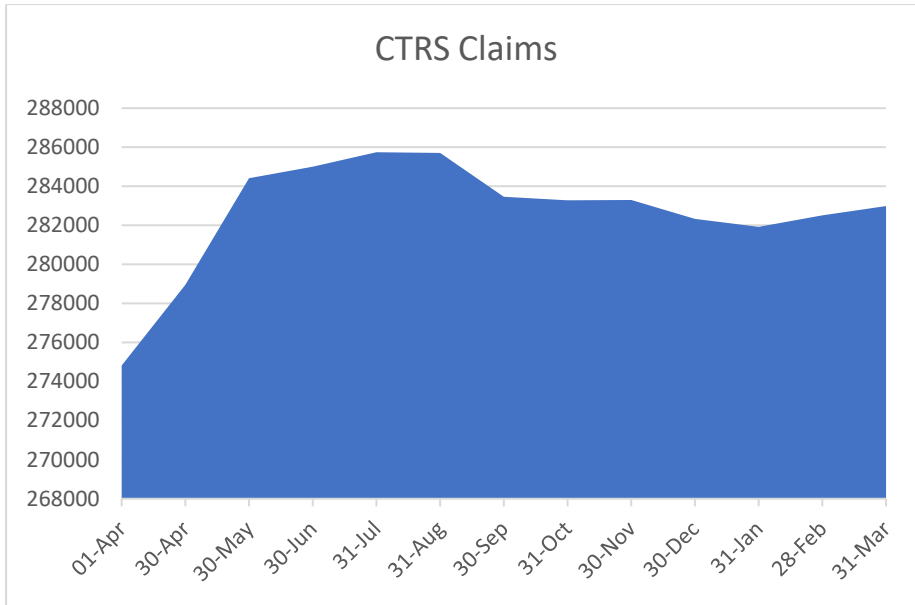


Figure 1 data provided to WLGA from all Local Authorities

The loss of committal in Council Tax proceedings has had an impact here. Whilst no LA was keen to imprison debtors it did provide a valuable tool by 'forcing' the debtor to deal with their financial affairs. In the majority of previous cases a suitable resolution was obtained which benefitted all.

The approach LA's have been taking to debt recovery during the pandemic, including the suspension of recovery activities for a period of six months, is well documented. They are gradually improving recovery rates and continue to work with residents by entering into longer term payment agreements with regard to repayment of arrears and ensuring payment of in-year 2021-22 debts remain the top priority

- **The impact of the pandemic on take-up of debt advice services, and to understand the implications of future demand for Welsh Government policy.**

As stated previously, we remain concerned about the accessibility of debt advice services for those not digitally included or already know to the advice providers.

More than one authority has reported back that strong, national marketing activities work. They are a great way to ensure people are aware of the support available. The publicity generated by Marcus Rashford in England resulted in a change of policy and whilst we have been in a more fortunate position, we cannot underestimate how successful a public figure can be in profile raising (Martin Lewis etc).

We welcome the roll out of the Tenancy Hardship Grant for those who are in Private Rented Sector and suffering financial hardship and at risk of homelessness due to rent arrears. This grant is targeted at those who are not eligible for a Discretionary Housing Payment as they are not receiving Housing support and who are outside of

the welfare system. It is still very early days, and we look forward to receiving updates on scheme progression.

- **How different groups have experienced debt issues throughout the pandemic, and whether Welsh Government policy interventions have met the needs of particular groups.**

In their recent blog 'The 3 D's of Covid' the Money and Pension Service refer to the pandemic as having a negative impact on those with variable income and unsecure employment. Conversely those at the higher income end have benefitted by being able to pay down borrowing and increase savings.

[The 3 D's of Covid | The Money and Pensions Service](#)

The Financial Conduct Authority's Financial Lives Survey (February 2021) notes that as at October 2020:

- 20.0 million people said say their overall financial situation is a lot worse
- 9.9 million saw their unsecured debt increase since February
- 9.8 million cut back on essentials like food and clothing
- 3.2 million took a payment deferral on their mortgage
- 5.9 million borrowed from friends or family
- 2.1 million self-employed adults have seen their income fall
- 18.6 million received an unsolicited approach involving Covid-19 that could be a scam

[Financial Lives 2020 survey: the impact of coronavirus \(fca.org.uk\)](#)

The feedback from local authorities has been that the impact of Covid has been very sector and demographic specific with working age, low income deprived areas suffering the greatest.

- **The effectiveness of mechanisms such as the Discretionary Assistance Fund and affordable credit in providing assistance to those most in need during the pandemic, and what changes could improve future delivery**

The Discretionary Assistance Fund (DAF) has been incredibly responsive – scheme changes and covid flexibility were designed and introduced effectively by 1st May 2020.

Significant changes included

1. the introduction of BACS payments (critical for self-isolating/shielding vulnerable groups)
2. cash awards have been vital for anyone on a restricted/religious diet (food bags limited in choice),

3. change of clothing award from love2shop card to BACS,
4. additional winter fuel support,
5. ID & verification changes to overcome accessibility issues,
6. regular partner communications issued to keep the networks informed

It is also worth noting that the partner network expanded in statutory services such as Local authority social services departments and health boards as they maintained service provision throughout the pandemic.

Statistics kindly provided by DAF show:

1. Since May 1st 2020 to end of August 2021 over 200,000 Emergency awards paid due to impact from Covid
2. Additional Expenses: Application awarded due to the impact of additional expenses on the household causing emergency need has been significant and the highest award reason throughout the pandemic. This peaked in March 2021 with 15,184 awards for this reason.
3. Emergency need levels as of August 2021 are still higher than in May 2020 (during the first National lockdown).

Lisa Hayward
14.09.21

Chwarae Teg submission to the Equality and Social Justice Committee:

Level of indebtedness during the pandemic

September 2021

Introduction

Chwarae Teg is Wales' leading gender equality charity. We work to secure a fairer Wales where all women achieve and prosper, ensuring that women enjoy economic equality, are fairly represented in all walks of life and are no longer at risk of poverty, violence and exclusion.

As has been well documented, the Covid-19 pandemic has had a profound impact on the lives of many. The crisis has brought into sharp focus the deep rooted inequalities that continue to shape our society and our economy. These inequalities left many groups, including women, more vulnerable to the health and economic impacts of the pandemic.

Numerous organisations have produced vital evidence on the impact of the pandemic on indebtedness. Some of these have explicitly highlighted the experiences of women, although the full extent of financial hardship is yet to be seen as we continue to navigate the economic impact of the pandemic. We have chosen to highlight how existing inequalities faced by women left them in a precarious financial situation pre-pandemic, leaving them at higher risk of hardship and indebtedness. Financial insecurity is part of the broader issue of poverty, and only by recognising the gendered nature of poverty can we tackle indebtedness.

In response to the Committee, this paper sets out some of the issues faced by women in relation to financial insecurity and indebtedness more generally. It highlights areas where the pandemic has compounded these issues.

It should be noted that it is difficult to get a fully rounded picture of how women in Wales are impacted by indebtedness. This is due to i) the assumption that assets and income are equally shared within households, and ii) the relative lack of data disaggregation for both Wales and gender. Despite the challenge of capturing the full picture of indebtedness amongst women, we know that women generally access debt advice services at a higher rate than men.

Key messages

1. It is difficult ascertain fully how women in Wales are impacted by indebtedness and how this has been compounded by the Covid-19 pandemic due to data challenges. However, from available data and our understanding of women's poverty, we do can say that women are at a higher risk of debt¹.
2. The impact of debt on women can also differ. Many women are responsible for managing household budgets and thus go without when trying to make ends meet². This can lead to negative health impacts and leaves many women in low income households living on a knife-edge, where any life change – loss of income, loss of housing, relationship breakdown, significant unexpected cost – could result in them being pushed into poverty, or into debt.
3. Prior to the pandemic, many women were in a precarious financial position. The Covid-19 pandemic and lockdowns had a larger economic impact on women, exacerbating many underlying issues as well as creating new ones³. As a result women were more vulnerable to the economic impacts of the crisis, leaving them at greater risk of falling into debt.

Detailed Response

1. Understanding indebtedness amongst women

- 1.1. We do not have a complete picture of women's experiences of indebtedness. Despite a number of studies into the issues which will be referenced here, overall it is currently challenging to have a full picture of women's experiences of indebtedness due to:
 - 1.1.1. Lack of data specifically on women and indebtedness
 - 1.1.2. Limited disaggregation in existing data on debt, both by gender and location
 - 1.1.3. Continued assumptions on the pooling of household resources
 - 1.1.4. Research suggests that women are more likely to borrow from family and friends than from formal lenders
- 1.2. Furthermore, it is impossible to have a true picture of debt amongst different groups of women. Given we know disabled women, BAME women, refugee and asylum seeking women, LGBT+ women, older women and women from deprived areas all experience even greater labour market inequality, it is likely that they are also at a higher risk of indebtedness.
- 1.3. Subsequently, most of the evidence on women's experience of indebtedness comes from reports on who is accessing debt advice services and those filing for debt relief and insolvency. In 2019, 60% of people accessing advice from StepChange were

¹ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

² *ibid*

³ Chwarae Teg (2020) *Covid-19, Women, Work, and Wales*.

women⁴. This data often does not take account of the experiences of different women, yet we know that women experience debt differently, with lone mothers and low-paid women facing indebtedness at higher levels⁵.

- 1.4. Most of the data available is quantitative presenting additional challenges in understanding the lived experiences of women from diverse backgrounds and circumstances in Wales.

2. Women are more likely to experience indebtedness

- 2.1. Utilising existing evidence and data, it is clear that women are at a higher risk of indebtedness⁶. This increased risk to indebtedness is due to a number of factors which present themselves differently for different women. Women's experience of indebtedness is intrinsically linked to poverty which is driven by women's experiences of work and the labour market, the social security system, childcare, access to essential services, household financial arrangements and often, women's relationship status.

2.2. **Poverty**

- 2.3. Poverty remains a particular challenge in Wales. Poverty rates have remained largely static for a number of years, with around 23% of households living in relative income poverty⁷. This varies for different groups - single parent households are at much higher risk of living in poverty, with 42% living in relative income poverty. Wales also has particular challenges with low pay, being among the lowest paid parts of the UK⁸.
- 2.4. From a gender perspective, data on poverty presents a number of challenges. Measured at the household level, an assumption is made that resources are shared equally within that household. It can therefore be challenging to gain a true picture of poverty among women. Looking across a number of key indicators however, we are able to conclude that women are at a slightly higher risk of poverty⁹.
- 2.5. Pre-pandemic, many women had lower level of preparedness to manage an economic shock, increasing further the risk of going into debt to manage household budgets and make ends meet.
- 2.6. For women, work is not always a route out of poverty. We know that women are over-represented in lower-paid roles while also being responsible for the majority of caring responsibilities, limiting their earning potential. Single parents in Wales have the highest in-work poverty rates¹⁰.

⁴ StepChange (2019) *Wales in the Red*

⁵ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

⁶ *ibid*

⁷ Chwarae Teg (2021) *State of the Nation 2021*

⁸ In Brief "Poverty and supporting low-income households" <https://research.senedd.wales/research-articles/poverty-and-supporting-low-income-households/>

⁹ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

¹⁰ Joseph Rowntree Foundation (2020) *Briefing: Poverty in Wales 2020*

- 2.7. The gender pay gap demonstrates the extent of income inequality between women and men. Wales' gender pay gap currently stands at 11.6%¹¹ with women being more likely to be employed part-time or working on zero hour contracts¹². This inequality reduces women's ability to be protected from an income shock such as the Covid-19 pandemic.
- 2.8. Research from Chwarae Teg on the pandemic's impact on women in the workforce also showed how women were more likely to work in sectors which were shut down by social distance requirements or be key workers in non-shutdown sectors¹³. Subsequently either reducing incomes or increasing risk of contracting Covid-19.
- 2.9. Relationship status also clearly links to women's experiences of poverty and thus risk of indebtedness. In pre-pandemic research, Chwarae Teg noted:

"Women without a partner were three times as likely as women with a partner to say it was very or fairly difficult to pay their rent or mortgage, and were twice as likely to say that it was fairly or very difficult to afford to pay for heating, council tax, food and toiletries. More than a third of women living without a partner said that they struggled to pay for these basics, with nearly half struggling to afford heating and food. Both groups of women said that transport costs, such as bus fare or running a car, could be very or fairly difficult to afford, as was buying clothes, but women who lived without a partner were much more likely to do so."

- 2.10. The dynamics of household relationships mean that women may not have access to their savings or be responsible for debts accumulated in their name¹⁴. Some women are left with an ex-partners debt if they remain in the family home while their ex-partner avoids creditors¹⁵. In cases of domestic abuse, access to money can be a significant issue, with 43.1% of domestic abuse survivors being in debt as a result of abuse.

2.11. **Single Parents**

- 2.12. Certain groups of women are disproportionately impacted by poverty and thus accrue debt in the process of meeting the cost of living.
- 2.13. Single parents have an increased risk of indebtedness¹⁶. StepChange reported in 2021 that 22% of their clients in were single parents compared to 6% of the UK population

¹¹ Chwarae Teg (2021) *State of the Nation 2021*

¹² Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

¹³ Chwarae Teg (2020) *Covid-19: Women, Work and Wales*

¹⁴ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

¹⁵ *ibid*

¹⁶ StepChange (2021) *The single parent debt trap*

being single parents¹⁷. While the data is not readily available disaggregated by gender we know that 83% of lone parents in Wales are women¹⁸.

- 2.14. Recent research by the Child Poverty Action Group has shown how many lone parent and low income families experienced a drop in income due to lockdowns while household expenditure had increased due to the closure of schools. 90% reported spending more on essential bills while children were at home¹⁹.
- 2.15. Evidence also notes that when families see an increase in the cost of living it is women who often go without, with women skipping meals or going without basic toiletries to provide for children in the household²⁰.
- 2.16. Women are more likely to incur debt to pay for everyday necessities. According to StepChange, 61% of those getting into debt to purchase everyday necessities are women²¹.

2.17. **Social Security**

- 2.18. Women's experiences of Universal Credit been further compounded by the Covid-19 pandemic. We know that women have seen the brunt of changes to the social security system over the past decade. In Wales, 52% of Universal Credit claimants are women with 43% of women claimants being in work compared to 33% of men claimants.
- 2.19. In the context of indebtedness, the initial five week waiting period to receive payment risks further pushing vulnerable women into indebtedness. In 2019, Chwarae Teg found that women who had issues claiming legacy benefits would borrow from family or friends rather than formal lenders²².
- 2.20. The problems with advances as part of Universal Credit should also be noted. Advance payments are repayable loans which claimants may receive during the initial five-week waiting period. These are then repaid in monthly deductions from ones' Universal Credit payments. These 'debt deductions' were not suspended in April 2020 in line with other types of deductions and have pushed families further into poverty²³.
- 2.21. There are similar issues with the Discretionary Assistance Fund. Although we welcome the current relaxation of rules around the DAF, a permanent change is needed to ensure that people no longer have to exhaust all other options for borrowing before they are eligible for financial support.
- 2.22. The well documented flaws in the current social security system and Universal Credit have further been exacerbated by the pandemic and as has already been highlighted

¹⁷ StepChange (2021) *Debt advice during coronavirus*

¹⁸ Chwarae Teg (2021) *State of Nation 2021*

¹⁹ Child Poverty Action Group (2021) *The Cost of Learning in Lockdown: March 2021 update*

²⁰ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

²¹ StepChange cited in Women's Budget Group (2020) *Household debt and gender: A pre-budget briefing from the Women's Budget Group*

²² Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

²³ Ruth Patrick and Tom Lee (2021) *Advance to debt: Paying back benefit debt – what happens when deductions are made to benefit payments?* Available at: <https://covidrealities.org/learnings/write-ups/debt-deductions>

women have either been going without, or as evidence from others suggests, experiencing indebtedness as a means to make ends meet.

2.23. The removal of the £20 uplift to Universal Credit risks further compounding the already well known and well established problems with the benefit.

3. Women and household budgets

- 3.1. With the need to understand poverty being central to understanding indebtedness, it should be noted that most measures of poverty assume that household resources are equally distributed, yet we know this to not be the case²⁴.
- 3.2. Research has shown that in some low-income households women were responsible for managing household finances budgeting to within the last penny to live within their means²⁵.
- 3.3. Although pre-pandemic, the research noted how when it came to cutting back on household expenditure, low-income women did not now have haircuts or purchase clothing or toiletries for themselves. In some cases women were cutting back on heating their homes and going without meals in order to feed their partners and children²⁶.
- 3.4. In cases where unexpected events occurred, the meticulous budgeting of women would be hit off course leading them to either have to borrow from friends and family to replace broken white goods or make ends meet²⁷.
- 3.5. In our research with women living in poverty, council tax emerged as an issue and an area of concern²⁸. Over the last decade the number of households in debt to public bodies in Wales has been increasing and now significantly outweighs those who have outstanding consumer debts, such as credit card bills²⁹.
- 3.6. Unlike other elements of the social security system, the Council Tax Reduction Scheme is the responsibility of Welsh Government. Increasing take up of means-tested reliefs such as council tax reduction and discretionary housing payment would ease pressure on families³⁰.
- 3.7. It is worth reiterating comments made by the Joseph Rowntree Foundation, that the reduction in households receiving support with their council tax bills is due to a lack of

²⁴ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

²⁵ *ibid*

²⁶ *ibid*

²⁷ *ibid*

²⁸ *ibid*

²⁹ WCPP (2019) "Responding to those in difficulty with council tax debt in Wales: what does the evidence show?" <https://www.wcpp.org.uk/commentary/responding-to-those-in-difficulty-with-council-tax-debt-in-wales-what-does-the-evidence-show/> [Accessed 23/09/21]

³⁰ Chwarae Teg (2019) *Trapped: Poverty amongst women in Wales today*

understanding of the Council Tax Reduction Scheme, rather than an improvement in the finances of claimants³¹.

Recommendations

1. **There is a clear need for comprehensive disaggregated evidence on women’s experiences of indebtedness. This evidence should concern the scale and nature of indebtedness, be intersectional and collected on a regular basis.**
2. **To address the issue of indebtedness a gendered approach to debt policy is needed. Full implementation of the recommendations of the Gender Equality Review, set out in *Deeds not Words*, would equip Welsh Government with the skills and expertise to do this.**
3. **Poverty and indebtedness are inextricably linked. We need an effective, cross-government strategy focused on addressing the root causes of poverty, that recognises the different characteristics, circumstances and barriers facing people in poverty.**
4. **Reform existing Welsh benefits, including free school meals, Council Tax Reduction Scheme and the Discretionary Assistance Fund to expand eligibility and improve take-up.**
5. **Given the well documented problems with Universal Credit, Welsh Ministers should request the UK Government devolve administrative powers over Universal Credit to give women choice and flexibility in managing their own finances.**

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³¹ Joseph Rowntree Foundation (2020) *Briefing: Poverty in Wales 2020*

Eitem 4



Credit Unions of Wales Evidence to the Equality and Social Justice Committee September 2021

Background

At the start of the Covid 19 pandemic in spring 2020, credit unions anticipated a significant increase in arrears and reduction in loan applications as Wales entered lockdown and restrictions damaged the economy and people's livelihoods.

During the pandemic, latest Bank of England quarterly figures for Quarter 1 of 2021¹ show that arrears among credit union members stayed relatively stable. Following an initial increase of 13% in arrears from £2m reported in Q1 2020 (pre-pandemic) to £2.3m in Q2, the increase in arrears levelled off with quarterly respective increases of 0.1%, 2% and 1% up to Q1 2021 (latest figures available). However, it should also be noted that credit union arrears in Wales are now at the highest levels ever recorded.

In common with many in the financial services sector, lending decreased during the pandemic among credit unions in Wales. Latest Bank of England quarterly figures show credit union lending in Wales stood at £25.9m in Q1 2020 which reduced by 8.9% to £23.6m in Q1 2021. Our internal surveys showed among Credit Unions of Wales, there was an uplift of loans by value of 9.4% from 2018-19, which was followed by a reduction in the value of loans by 10.5% during 2019-2020.

Credit Unions of Wales surveys also showed that lockdowns result in a significant decrease in loan requests, however this was followed by an uplift, due to suppressed demand, as restrictions lifted.

Savings have increased across credit unions in Wales during the pandemic. Latest Bank of England quarterly figures show that credit unions held £51.1m in shares/ member savings in Q1 2021, up 14% from £44.7m in Q1 2020. This is the highest ever level of savings held by credit unions in Wales.

As financial cooperatives, credit unions loan the money that is saved with them, so this in turn means that credit unions in Wales have record levels of money available to lend to members.

¹ [Bank of England Quarterly Statistics, Q1, 2020](#) published 31 August 2021

In response to the four questions asked, Credit Unions of Wales would like to respond to the following two topics:

- 1. How different groups have experienced debt issues throughout the pandemic, and whether Welsh Government policy interventions have met the needs of particular groups.**

Credit unions traditionally have a significant proportion of low-to-medium income members both in work and on benefits.

Measures such as the furlough scheme, support for the self-employed, uplift in Universal Credit, increase in Local Housing Allowance and Discretionary Housing Payments have provided vital assistance to members in the economic emergency caused by the pandemic.

In turn we are in no doubt that the measures above have contributed to lower arrears levels than we initially expected at the start of the pandemic in spring 2020. The general support schemes, together with some cost savings for those in work e.g. working from home, has meant that savings have risen in the pandemic. There is some evidence that those who have managed to save have also taken time to look at other aspects of their finances and clear debts or arrears.

With the furlough scheme due to end this month and the impending reversal of the uplift in Universal Credit, combined with inflation rising at its highest level since 2012² and anticipated rising costs of fuel this winter, credit unions anticipate an increase in arrears and the use of formal debt remedies to address wider financial burdens in the coming 12 months. Of particular concern is an expectation that high volume credit management companies specialising in Individual Voluntary Agreements (IVAs) for large fees will capitalise on these pressures and encourage more people in debt into IVAs when other resolutions such as Debt Management Plans would be more beneficial for many financially vulnerable households.

Those members who depend on their credit union to access affordable credit lose this benefit when credit union loans are included in IVA applications and are not always aware of the significant long-term damage to their credit rating and access to affordable credit in future of entering an IVA. While this remedy is appropriate for some individuals, there is anecdotal evidence in Wales and the wider UK of sharp practices of among some private sector IVA management companies, to the detriment of our collective members, and the credit union sector has lobbied for such companies to be regulated by the FCA.

Credit Unions of Wales are already reporting higher levels of indebtedness among members applying for loans. While there has been support for many, the pandemic has had an impact on those on lower incomes as shown in the recent report from the Bevan Foundation, *Debt in the Pandemic*.³

² Inflation: [Price rises see record jump as food costs soar in August](#), BBC, 15 September 2021

³ Bevan Foundation, [Debt in the Pandemic](#), September 2021

Credit unions are also reporting that the pandemic has led to changes in shopping and spending habits. As part of their loan application process, many credit unions now offer Open Banking services, which allows real time access to a member's bank statement and therefore enhanced visibility of spending habits compared to what would be available through a traditional application process.

Many credit unions are reporting worrying levels of debt caused by Buy Now Pay Later schemes such as Klarna, Clearpay and Laybuy etc. These schemes sit on most big brand websites offering the option of 'spreading the cost' over 3 or 6 monthly repayments (usually at 0% interest).

However, credit unions are finding that the ease and attractiveness of the Buy Now Pay Later online purchases can mean that people have several commitments, adding up to a significant monthly outlay. Failure to meet payments usually leads to a charge, which in turn increases the customer's debt, damages their credit score and can lead to formal debt collection agencies.⁴

The open banking process has also revealed a worrying increase in online gambling among members. This is borne out by a report by the Gambling Commission, which found that online gambling increased 24% in the year to June 2021⁵ Meanwhile a Gambling Commission report in September 2021 noted that while online gambling levels had 'stabilised': *"It is likely some have picked up new gambling routines and habits during lockdown that may be hard to change as things return to normal, even as normal spending on other things resumes."*

2. The effectiveness of mechanisms such as the Discretionary Assistance Fund and affordable credit in providing assistance to those most in need during the pandemic, and what changes could improve future delivery.

While Credit Unions of Wales cannot comment directly on the Discretionary Assistance Fund, we do note it is one of the forms of support provided during the pandemic that helped mitigate some the negative impacts of the financial fallout of Covid-19.

As affordable credit providers, Credit Unions of Wales have adapted to the changing needs of members and our communities during the pandemic as follows:

Supporting existing members: Credit unions were the only social lenders to continue lending throughout the pandemic. The sector moved quickly at the start of the first lockdown to confirm the status of credit union staff as key workers in order to keep offices open (where safe to do so) and maintain services for its members. Credit Unions of Wales credit unions worked quickly to create safe, remote access for staff, allowing some staff to work from home where possible, to reduce the risk of Covid infection for staff and visiting members.

⁴ Klarna: [What happens if I don't pay for my order](#)

⁵ [Statistics on participation and problem gambling for the year to June 2021](#), Gambling Commission

Improving accessibility online: In recognition of the restrictions on travel, safety of staff and members, and changing behaviours of members, many credit unions worked quickly to improve online access to their services for members and those wanting to join a credit union. This included easier options to join and faster decisioning processes for loan requests.

Reaching new members: To support the improved online services, and reach out to those in need of 'a bit extra' i.e. small, short term loans, Credit Unions of Wales also repurposed its marketing budget to improve signposting to credit union services. We set up a new webpage on the existing Credit Unions of Wales website (www.creditunionsofwales.co.uk), with a loan calculator, allowing members to apply for a loan with their nearest credit union from one all-Wales central hub. This was supported by a series of Google and Facebook Ads to ensure that people needing 'a bit extra' could access fair, ethical and affordable support from their nearest credit union.

Addressing the risk of loan sharks: During the pandemic, a number of payday lenders closed along with doorstep lender Provident's withdrawal of new lending. The Snapshot of Poverty in spring 2021 report by the Bevan Foundation⁶ showed an increase in the number of people on lower incomes borrowing from family and friends. In recognition that 'family and friends' can sometimes be a catch all term that can include loan sharks, the increased risk of loan shark activity due to the economic downturn and the habitual behaviour of doorstep lending, Credit Unions of Wales is working with the Wales Illegal Money Lending Unit to increase awareness of small loans and credit union services. This work has included PR⁷ and advertising.

Pilot of underwritten loans: A pilot project with the Wales Illegal Money Lending Unit, using capital from proceeds of crime fund, is underway with one credit union (Cambrian Credit Union). This pilot underwrites loans to people who would not normally meet affordability criteria for Cambrian Credit Union loans. There was a £20,000 fund of which £19,700 had been allocated across 28 loans as of 17th September 2021.

Supporting Welsh workers: The pandemic has highlighted the need for people to build their financial resilience. Credit Unions of Wales wanted to make it easier for employees in Wales to create a financial buffer and access fair and affordable credit when they need it. Credit Unions of Wales have collaborated on national payroll project – Moneyworks Wales. This enhances the existing payroll deduction savings and loans partnerships that individual credit unions had in place. Moneyworks Wales includes a website (www.moneyworkswales.com), with easy access to joining and saving or borrowing, plus interactive tools and planners provided by the Money and Pensions Service, which help members manage their money and budget for life events, from a new car to expanding their family or buying a new home. The launch of Moneyworks Wales⁸ has had support from Welsh Government, Wales TUC, Money and Pensions Service, the Finance Innovation Lab and 150 employers of all sizes and across all sectors across Wales.

⁶ [A snapshot of poverty in spring 2021](#), Bevan Foundation, May 2021

⁷ [Online loans: 'I went from loaning £150 to owing £6,000 in months'](#), BBC Wales, August 2021

⁸ [Moneyworks Wales](#), a collaborative project across 10 credit unions in Wales, launched September 2021

Tenancy Saver Loans: Credit Unions of Wales moved at pace to deliver the Tenancy Saver Loan scheme across Wales. During the lifetime of the scheme Credit Unions of Wales worked closely with Welsh Government and its stakeholder partners to feedback on uptake and the nature of applications.

Future digital accessibility: The pandemic has accelerated the shift to online services and the expectations of members about how those services should work. Credit Unions of Wales have formed an IT group that is actively assessing back office and frontend IT systems that will improve efficiency, member experience and accessibility.

Recommendations

- Plans for a No Interest Loan Scheme⁹ pilot aimed at those people unable to access most other forms of credit have been drawn up by Fair4All Finance and have the backing of Welsh Government. In order that this pilot true pan-Wales coverage and creates lasting, long-term relationships between the borrowers and fair, affordable social lending providers, we would urge that a collaboration of credit unions is considered to run the pilot.
- To build upon the initial pilot between Cambrian Credit Union and the Wales Illegal Money Lending Unit, we would suggest an analysis of its findings to see if this could lead to a wider all-Wales roll-out. Depending on the results of this analysis, the scheme could include low interest, underwritten loans for debt consolidation coupled with budgeting advice and financial education provided by expert external partners within the credit union setting.
- Credit unions need capital funding to help them to level up digitally. The pandemic has increased expectations of online services and the digital journey. Credit Unions of Wales digital advertising during the pandemic has shown that younger (under 25-years-old) people can be attracted to credit union services. However, credit unions need improved digital services to compete with high interest lenders, and as financial cooperatives with affordable interest rates and limited methods of creating revenue beyond making loans, this level of financial outlay is a stretch for most. The difficulty of making this financial outlay is exacerbated with indications of difficult trading conditions predicted in the near future. Capital funding to improve the fintech capabilities of credit unions will be vital to serving the changing needs of our members and helping attract new members.
- To improve longer-term financial wellbeing and habits, Credit Unions of Wales would recommend a financial education pilot to provide greater access to budgeting advice and coaching (through credit unions but working with partners) to help prevent those at risk of unmanageable debt before it becomes a crisis. This form of

⁹ [Plans announced for new UK wide No Interest Loan Scheme pilot](#), Fair4All Finance

education could mitigate the risk of uptake of formal debt remedies in instances where there are options with better outcomes for those struggling with debt. This could be more efficient if integrated into existing schemes such as the [Moneyworks Wales](#) payroll savings and loans scheme, which already has 150 employer partners, to ensure wider coverage and access.

About Credit Unions of Wales

Credit Unions of Wales are a collaborative group of 10 credit unions including:

- Brecon Credit Union
- Bridgend Lifesavers
- Cambrian Credit Union
- Cardiff & Vale Credit Union
- Dragonsavers Credit Union
- Gateway Credit Union
- Merthyr Tydfil Credit Union
- Newport Credit Union
- Red Kite Credit Union
- SaveEasy Credit Union



Response to some of your questions:

1. I know nothing about Welsh Government's approach so I cannot comment on this.
2. It appears that public sector bodies are sometimes draconian in their approach to people in debt. Where we see a CCJ destroying a client's credit record, in most cases this has been put there by a local authority (admittedly sometimes also a water authority or a mobile phone company – these three are the most common). It seems that the private sector takes a softer approach! A person in debt responds badly to the sort of officious communications they receive from public organizations. They need to understand that they can negotiate. The officious approaches often push them to take an insolvency option (IVA, DRO) and then nobody wins.
3. The worrying thing here, which I know the FCA are aware of but have not as yet succeeded in preventing, is that people in debt fall prey to predatory debt recovery agencies. These will put people into unnecessary DROs and IVAs for their own profit. The good debt advice providers (Stepchange, Christians Against Poverty) are not well known and should be supported to expand their services.
4. Our own client group – unemployed or socially isolated, self-employed but coming out of difficult circumstances – have struggled financially, especially the self-employed who have not qualified for ANY of the Government or Welsh Government schemes. This has led to extreme hardship for many (including our organization which has been the only one to help and has been stretched as a result.) These clients are unaware (as am I) of any support available from Welsh Government – if it exists it is not well promoted to this group.
5. Discretionary Assistance Fund was not well promoted and completely unknown to anyone I came across. I told those I could about it. I don't know if anyone succeeded in getting it.

Affordable credit can make a big difference – if I may say so, especially ours because in providing finance to enable people to move into self-employment at an affordable rate, they can create their own income and thus a long-term, sustainable future which moves them away from the need to borrow. Good affordable credit providers such as Credit Unions providing funds for emergencies are also excellent – but I don't come across many in my client group who have loans from any of them. This is partly because they may not meet their criteria for lending but more likely that they don't know about credit unions or the Responsible Finance personal lenders. The vast majority that I see have loans with the bad high cost providers which compound the difficulties they are in. These are not because they are profligate spenders – they simply cannot make ends meet. The benefits system traps people in poverty. Affordable credit needs scaling up across Wales.



2.

Eitem 5

Debt in the pandemic

SEFYDLIAD
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FOUNDATION

September 2021



Tudalen y pecyn 48

About the Bevan Foundation

The Bevan Foundation is Wales' most innovative and influential think tank. We develop lasting solutions to poverty and inequality.

Our vision is for Wales to be a nation where everyone has a decent standard of living, a healthy and fulfilled life, and a voice in the decisions that affect them.

As an independent, registered charity, the Bevan Foundation relies on the generosity of individuals and organisations for its work.

Acknowledgements

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How you can help

Hundreds of people and organisations across Wales enable the Bevan Foundation to speak out against poverty, inequality and injustice. We would not exist without their support.

To make Wales a nation of prosperity for all, where everyone can fulfil their potential no matter who they are or where they live, please join our community of supporters.

Your support and that of others makes a difference to us and a difference to Wales.

Find out more at <https://www.bevanfoundation.org/support-us/individuals/> or email info@bevanfoundation.org to find out what you can do

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Summary

Thousands of people across Wales were living in problem debt long before the pandemic. The economic impact of Covid-19 has seen the financial position of many Welsh families deteriorate, pushing some into problem debt for the first time and deepening the amount of debt owed by some of those already struggling. Across Wales 130,000 households, 10 per cent of all households, had fallen behind on a bill between January and May 2021. Over the same period 230,000 households, 17 per cent of all households had borrowed money.

The impact of the pandemic on debt has been very uneven. Home working and reduced opportunities to spend due to Covid-19 restrictions have enabled some households to pay down debt. The actions of both the UK and Welsh Governments has also provided some protection, preventing the escalation of over-indebtedness amongst many households. Some households have seen their economic position worsen as a result of the pandemic, however.

Low-income households, renters, disabled people, 25 – 49-year-olds, lone parents and BAME households were all at a heightened risk of being in problem debt prior to the pandemic. The evidence suggests that the situation for these at risk groups has deteriorated over the course of the pandemic.

There are concerns that the situation may worsen over the coming months. Many of the support schemes that have protected households have either recently come to an end or are due to come to an end soon. Living costs are set to increase further whilst there are still concerns about the health of the economy.

Given the significant consequences of problem debt and the concerns that the number of people affected could be set to increase over the autumn it is vital to take action. This report argues that the time is right for the Welsh Government to adopt a new approach to personal and household debt with a clearer focus on debt prevention and relief.

1. Introduction

The economic impact of Covid-19 has affected thousands of people across Wales. Its full extent was recently set out in the Bevan Foundation's *A snapshot of poverty in spring 2021* report.¹ It revealed that over 110,000 households, about the same as the number of households in Swansea, struggle to cover the cost of everyday essentials, whilst thousands more have seen their incomes fall and their living costs increase over the course of the pandemic.²

Among the findings set out in that report was that personal and household debt is a major problem in Wales. It revealed that between January and May 2021, 10 per cent of Welsh households have fallen behind on a bill whilst 17 per cent have borrowed money to pay a bill.³ The evidence of a growing debt problem is reflected in the experiences of people living on low incomes.

Since January 2021 the Bevan Foundation has been working with two partner organisations: Action in Caerau and Ely (ACE) and Trefnu Cymunedol Cymru/ Together Creating Communities (TCC) to gain a better understanding of people's lived experience of poverty. During a discussion we held in May, debt was an issue that was raised multiple times.

We are pretty sure that the debt in Caia Park will be millions... tenancy support workers are saying it is through the roof... they have never seen this level of debt.

Resident and community worker, Caia Park, Wrexham, Bevan Foundation and TCC online discussion group, 4 May 2021

Debt is, in itself, not necessarily a problem. The majority of the population borrow money at some point in their life. Being in problem debt, however, does negatively affect people's lives.⁴ A household is said to be in problem debt if they are struggling to make payments, view their debt as a burden or have very high credit in relation to their income.⁵ This can create significant stress and hardship, affecting people's health and wellbeing and resulting in people going without everyday essentials.⁶ Being over-indebted can also affect people's medium- to long-term prospects, as historic debts, a poor credit score or a record of court proceedings can prevent people from renting a home, accessing services and limiting opportunities.

This report will explore the impact of the pandemic on problem debt in three parts, each based on three key findings:

- Problem debt has become a greater issue for those who were already at a heightened risk of being in problem debt pre-pandemic.
- Problem debt has not become as significant a problem for the population as a whole as many may have feared at the outbreak of the pandemic.
- We are yet to see the full impact of the pandemic on problem debt and the situation may deteriorate further this autumn.

To conclude, the report will explore possible solutions to problem debt in the context of the pandemic and beyond.

2. Methodology

The findings set out in this report are based on a mixed methods approach, including both qualitative and quantitative approaches, and a literature review.

The primary quantitative method was two polls that were conducted by YouGov on behalf of the Bevan Foundation. The fieldwork for the first of these was undertaken between 7th and 11th December 2020, with a total sample size of 1,031 adults. The fieldwork for the second poll was undertaken between 20th and 24th May 2021, with a total sample size of 1,035 adults. Both surveys were carried out online and all figures quoted have been weighted (unless specified otherwise) and are representative of all Welsh adults (the first survey aged 18+ and the second aged 16+). In addition, the Bevan Foundation has undertaken quantitative analysis of a range of official statistics accessible via Nomis and Stat Xplore.

The qualitative methods used in the formation of this report can be split in two approaches. The first approach involved interviews with key stakeholders working on issues related to debt, undertaken over summer 2021. These were supplemented by a stakeholder roundtable discussion on 26th August 2021.

The second approach involved workshops or group discussions with people with lived experience of poverty, in partnership with TCC and ACE. We held additional discussions organised with South Riverside Community Development Centre (SRCDC) to ensure the input of migrants' and BAME people's views.

3. The impact of the pandemic on problem debt

Prior to the pandemic some 193,000 people in Wales, eight per cent of all adults, were estimated to be in problem debt.⁷ On top of this, 412,000 people (16 per cent of the population) were showing signs of financial distress.⁸

By November 2020, Citizens Advice estimated that 280,000 people in Wales had fallen behind on payments up to the start of that month.⁹ These arrears were estimated to be worth around £73 million with approximately half of these arrears being new debts that had built up a result of the pandemic.¹⁰

By June 2021, there were signs that the number of households (rather than individuals) in financial difficulty was increasing further. Our research estimated that 130,000 households, 10 per cent of all households in Wales, had fallen behind on a bill between January and May 2021.¹¹ Over the same period 230,000 households, 17 per cent of all households had borrowed money.¹²

The rest of this section considers household arrears and borrowing over the course of the pandemic.

3.1 Arrears

Being in arrears on a bill is a strong indicator that a household is trapped in problem debt, and there is evidence that payment arrears have steadily grown during the pandemic. The debt advice charity StepChange estimated in January 2021 that the average arrears among those that had fallen behind on a bill was £1,076 across the UK.¹³ Among people who had fallen into arrears a significant proportion (six out of ten) had faced financial hardship since the onset of the pandemic.¹⁴ In the autumn, Citizens Advice estimated that as many as a third of people with household bills debt had been unable to afford food or other basics.¹⁵

In Wales, approximately 10 per cent of all Welsh households were found to have fallen behind on at least one bill between January and May 2021.¹⁶ Household debt can be to a number of creditors - our survey focused on four types of bills: utility bills, Council Tax, credit/ loan/ hire purchase repayments and rent/ mortgage.

Utility bills

By May 2021, households were more likely to report that they were in arrears with utility payments than with any other type of household bills. Six per cent of all households in Wales (equivalent to 80,000 households) reported that they had fallen into arrears on gas, electricity, oil, water, mobile phone or internet bills.¹⁷ This is slightly higher than the number of households Citizens Advice had found to be in arrears on their energy bills during the autumn of 2020, but this is likely to be a result of the fact that phone and internet bills were classified as utility bills in the Bevan Foundation survey but were classified separately in the Citizens Advice survey.¹⁸ The total value of energy debt in Wales (excluding telecoms) is estimated to be in excess of £10 million.¹⁹

StepChange's data allows us to explore which utility bills households have fallen into arrears on in more detail. Of those who were in arrears in January 2021 at a UK level StepChange estimate that 35 per cent were in arrears on their electricity bills, 31 per cent

were in arrears on their water bills, 25 per cent were in arrears on their gas bills and 21 per cent were in arrears on their telecoms bills.²⁰

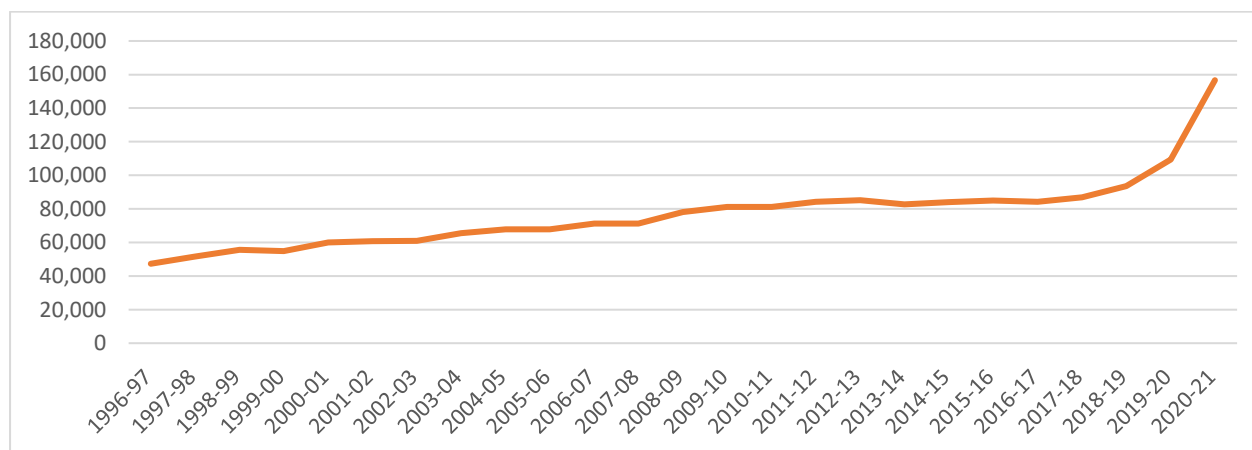
The fact that so many households are in arrears with utility payments is not surprising given that lockdown and rising fuel prices forced many to increase their expenditure on heating and internet use. More than four in ten households reported seeing an increase in the cost of their heating, electricity and or water between January and May 2021 on top of significant increases they experienced in the previous nine months.²¹

Utility bills are considered a priority debt by support agencies because failure to pay can lead to services being stopped.²² Even with the extra protections afforded to people through the pandemic thousands of households saw their gas and electricity supply cut off last year,²³ whilst thousands more are likely to have rationed their use as they simply could not afford the cost of heating their home.

Council Tax

Council Tax arrears have increased significantly during the pandemic. Approximately four per cent of Welsh households, nearly 55,000 Welsh households, were in arrears on their Council Tax between January and May 2021.²⁴ The available data unfortunately only indicates the number of households in arrears and the total outstanding amounts, rather than the numbers falling into debt during a year (or repaying debt).

Chart 1 – Total Council Tax Arrears (£ thousand)



Stats Wales, *Arrears of council tax, by billing authority (£ thousand)* available at - <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Collection/arrearsofcounciltax-by-billingauthority>

Chart 1 shows that Council Tax arrears had been increasing even before the pandemic, with the value of arrears accelerating in recent years. In 2018/19 total Council Tax arrears increased by seven per cent, before increasing by 15.2 per cent in 2019/20. The situation worsened significantly in 2020/21 with total Council Tax arrears rising by 42.1 per cent to £160 million.²⁵

Research undertaken by Citizens Advice found that as many as one in seven people reported struggling to pay their Council Tax pre-pandemic.²⁶ In addition, seven in ten people who have fallen behind on their Council Tax report that they have fallen behind on another bill, whilst one in three report not having enough money to afford to buy food and other day-to-day essentials.²⁷

The challenges faced by households in Council Tax arrears could be exacerbated by the regulations that govern how local authorities are permitted to collect arrears, which some consider encourage local authorities to use collection methods that deepen people's debt.²⁸ Of particular concern is that people who miss a single Council Tax payment can be liable for the full annual bill.²⁹ This can substantially increase a household's debt when they are already struggling to make payments. A further concern is that local authorities have limited avenues to pursue outstanding Council Tax without obtaining a court order.³⁰ This coupled with many local authorities use of bailiffs to enforce court orders does not only cause stress and anxiety for those in arrears but can also lead to the amount that people have outstanding increasing as they become liable for legal and bailiff fees.³¹

Credit repayments

Households in Wales borrow from a wide variety of sources. These include a mortgage on their home, finance on their car or household appliance, a personal loan, money on a credit card or catalogue debt. For most people, repaying this debt is not a challenge. However, our survey found four per cent of Welsh households, around 55,000 in total, were in arrears on credit, loan or hire purchase payments between January and May 2021, a major indicator of problem debt.³² This figure excludes households who were in arrears with their mortgage repayments.

Rent or mortgage repayments

Rent and mortgage arrears are arguably the arrears of greatest concern. A household that falls behind in meeting their housing costs risks eviction or having their home repossessed, and ultimately faces a risk of homelessness.

Our survey found that in June 2021 some 80,000 households, six per cent of all households in Wales had already been notified that they would lose their home, with a further five per cent being worried about the prospect of eviction or repossession.³³ One of the key reasons why so many households were facing insecurity is rent and mortgage arrears.³⁴

Across Wales three per cent of households report they are in arrears on their rent or mortgage repayments. The figure is even higher if households which have no housing costs, for example because they own their house outright, are excluded from the estimate. Chart 2 shows that people who rent are more likely to be in arrears than owner occupiers with a mortgage, with social renters being more like to be behind than private renters.

Chart 2 Proportion of households in arrears on rent/ mortgage by tenure type (%)



Survey undertaken by YouGov on behalf of the Bevan Foundation in May 2021

Although the number of households in arrears appear high, it has not risen as much as many expected. Indeed research undertaken by the Joseph Rowntree Foundation found that levels of rent arrears in the private rental sector and levels of mortgage arrears had returned to near pre-pandemic levels in May 2021.³⁵ Similarly, some social landlords report that whilst rent arrears have increased within the social rented sector, the increase has been lower than feared at the start of the pandemic.³⁶ It is likely that a number of measures adopted during the pandemic limited the increase in rent and mortgage arrears.

Nevertheless, arrears amongst more than one in twenty renters and one in 25 mortgagees remains a significant challenge. We heard from one community organiser that the number of people seeking advice from tenancy support officers in their community had increased sharply, with officers also seeing a record number of mortgage holders coming to them seeking support.

3.2 Borrowing

Over 230,000 households, 17 per cent of all Welsh households, borrowed money between January and May 2021 to cover essentials.³⁷ In November 2020, StepChange estimated that, at a UK level, those who had borrowed money to make ends meet as a result of the pandemic had, on average, borrowed £1,577.³⁸ This was a sharp increase from the position in May 2020 when the average amount borrowed was £997.³⁹ Across the UK the total amount borrowed by households who had been negatively affected by the pandemic at the end of 2020 stood at £6.5 billion.⁴⁰

Households which borrowed during the pandemic are not necessarily in problem debt – some which borrowed may have paid back or be repaying the sum due as their economic position recovered. However, there is strong evidence that households which use credit as a coping strategy face a significantly heightened risk of falling into problem debt than households who are able to manage without.⁴¹

Households have borrowed money from a variety of different sources and the next section will provide an overview of each in turn.

Friends and family

Friends and family are the most common source of funding for households who have had to borrow money. We found that eight per cent of Welsh households borrowed money from their friends and family between January and May 2021.⁴²

Low-income households are especially reliant on borrowing from friends and family, and for households with an income of less than £20,000 friends and family were their primary source of borrowing.⁴³ The amounts involved can often be relatively small. We heard from a mother in Cardiff who had borrowed £100 from her mother to ensure that she had enough money to feed her children at the end of the month. Having the ability to borrow the money was vital in enabling her to make ends meet. Others have been forced to borrow more substantial sums:

I owe my mother loads. I've managed to pay back my partner's family, but I still owe my mother loads.

Mother, Cardiff, workshop with Action in Caerau and Ely, 6 July 2021

There were serious concerns raised by stakeholders that whilst many respondents to our survey had borrowed money from genuine friends or from family members, others may have selected this option when they had borrowed money from illegal lenders or loan sharks. These concerns were echoed by people in our workshops:

We've got people who have been using loan sharks. It's not just money owed, other things too. I've heard conversations about explicit activities to pay that money back. We have had to deal with some of that and it's been horrible. Seeing some of the nasty side of debt, loan sharking and pay day loans.

Resident and Community worker, Caia Park, Wrexham 24 June 2021

Credit cards and overdrafts

Credit cards and overdrafts are by far the most popular formal source of borrowing for households in Wales when it comes to day-to-day borrowing. Six per cent of Welsh households, over 80,000, borrowed money through their credit card between January and May 2021 with five per cent going into their overdrafts.⁴⁴

Overdrafts and credit cards are used by thousands of households on a monthly basis. It can be a useful way to manage resources, especially for those who are paid monthly and who may be running short at the end of the month. Whilst many households manage this process with no problem, over time regular credit card borrowing can pull households into problem debt.

Before the pandemic, 62 per cent of new clients who approached StepChange for support in Wales owed money on at least one credit card, whilst 46 per cent were in their overdraft.⁴⁵ The value of this debt was often significant with the average credit card debt of a new client being over £5,500 and the average overdraft being in excess of £1,200.⁴⁶

More recent data gathered at a UK level suggests that there has been a shift in the source of borrowing over the pandemic. In June 2020 66 per cent of StepChange's new clients had credit card debts, slightly up on the position pre-pandemic (62 per cent).⁴⁷ The number of new clients who were in their overdrafts has reduced markedly across the UK.

Pre-pandemic, on average 47 per cent of Step Change's new clients were in their overdrafts, this has reduced to 35 per cent.⁴⁸ The reason for this is unclear but one possibility is that rule changes and new guidance issued by the Finance Conduct Authority have made using current account overdrafts more difficult and expensive.⁴⁹ This may have led to people who are financially struggling to borrow money from elsewhere.

Personal bank loans and other formal lending sources

Some households have turned to personal bank loans whilst others have borrowed from Credit Unions or Community Development Finance Institutions (CDFIs). These forms of borrowing are relatively uncommon sources of funding for households struggling with their bills. Just two per cent of households took out a personal loan between January and May 2021 whilst the number of people who borrow from credit unions was too small to show up on our survey.⁵⁰ It is still important to keep these sources of funding in mind when exploring the impact of the pandemic on problem debt for several reasons.

Personal loans are often the single largest debt owed by households in problem debt. Before the pandemic the average value of a personal loan owed by a new StepChange client was £6,743.⁵¹ Not only does the value of the loans tend to be larger than other forms of debt, but they are also a form of debt owed by a large number of people who are in problem debt. Over half of StepChange's new clients in Wales before the pandemic had a personal loan.⁵² Across the UK the proportion of new clients requesting support from StepChange who have a personal loan has remained stable at 49 per cent throughout the pandemic.⁵³

Even though the number of households who turn to personal loans as a source of finance when facing financial difficulties may be low, the repayment of a personal loan can trigger problem debt. It is perhaps not surprising that stakeholders were concerned that some small business owners or self-employed workers who had borrowed funds to invest in their business may have been at a particular risk of being in problem debt.

Whilst the number of people borrowing from Credit Unions and CDFIs may not be significant enough to show up on our data, insights gained from stakeholders remain important given that they are predominantly used by people on low incomes.⁵⁴ It is therefore extremely concerning that both Credit Unions and CDFIs are reporting an increase in the complexity of the debt of clients approaching them for financial support and an increase in the number of people who are falling behind on payments owed to them.

Pay day loans and catalogue debt

Pay day loans are another form of borrowing that is used by some households. As with personal loans, the number of households who have turned to pay day loans as a result of the pandemic has been small.

Just one per cent of Welsh households took out a pay day loan between January and May 2021.⁵⁵ Not only are the number of people who have turned to pay day loans small they also account for a small proportion of problem debt. Prior to the pandemic only one in ten of StepChange's new clients in Wales had a pay day loan, with very little change evident in the most recent UK-wide data.⁵⁶

A form of borrowing that has a greater impact on problem debt is catalogue debt. More than four in ten of Step Change's clients in Wales were in catalogue debt, prior to the pandemic, with it remaining an issue throughout.⁵⁷ We did hear some concerns from communities that catalogue debt and new app-based platforms such as Klarna are causing difficulties to some households.

Klarna, is more accessible because you can use it without credit checks. I know it's interest free, but people often spend beyond their means and then get caught by late payment fees etc.

Resident, Plas Madoc, Wrexham, 6 July 2021

Loans from Government for Universal Credit or legacy benefit claimants

A final source of borrowing for some households who are in receipt of Universal Credit or legacy benefits has been the UK Government, for example through a budgeting advance. This is another form of borrowing that is not widely used across the Welsh population. Only one per cent of respondents in our most recent *Snapshot* survey reported that they had borrowed money in this way.⁵⁸

The eligibility criteria for these loans restrict support to low-income households. The Department for Work and Pensions (DWP) provide low-income households with access to two types of loan.

New Universal Credit claimants must wait a minimum of five weeks to receive their first payment. Any claimant who is faced with financial hardship as a result of this wait may apply for an advance payment from the DWP within a week of submitting their application.⁵⁹ This advance payment is, in essence, a loan with claimants being required to repay it either through deductions from future Universal Credit payments, or through contributions from any salary they may earn.⁶⁰

A second form of support provided by the DWP is Budgeting Advances. Budgeting Advances are made available to claimants who are already in receipt of Universal Credit or legacy benefits and who are on a very low income.⁶¹ They are intended to cover specific costs including the replacing a broken appliance, costs incurred whilst trying to get a new job or keeping a job, and funeral costs.⁶² The amount that claimants can borrow through Budgeting Advances is modest, and is capped depending on the number of people living in a household and their ages.⁶³

The fact that the number of Universal Credit claimants in Wales doubled over the course of the pandemic means that it likely that borrowing money through either of these schemes is likely to be significant. Between 1st March 2020 and 23rd June 2020 alone over 1.3 million advances were paid across the UK.⁶⁴ Whilst these advances do provide short term relief there is a broad body of evidence that highlights that repaying these advances as well as other deductions from Universal Credit payments⁶⁵ places significant financial stress on households, pushing some into problem debt.⁶⁶

4. The unequal impact of the pandemic on problem debt

The risk of being in problem debt was unequal across the population prior to the pandemic and the gap has widened over its course. This section will look at the experiences of those groups and consider why they have been more likely to fall into problem debt.

4.1 The groups at greatest risk of problem debt

Before the Coronavirus outbreak the groups of people at heightened risk of being in problem included:

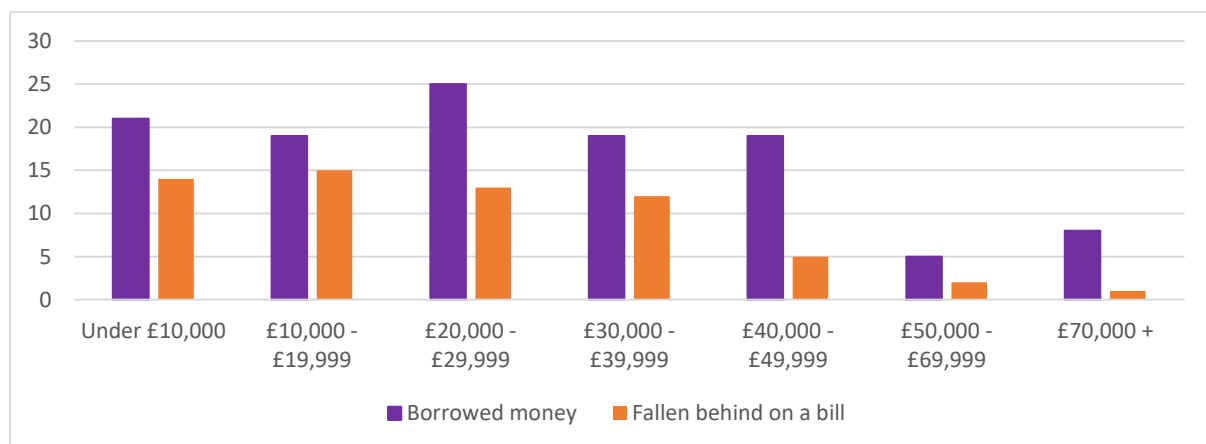
- low-income households
- renters
- disabled people
- 25 – 49-year-olds
- lone parents
- BAME households.⁶⁷

These groups remain at a higher risk of facing problem debt, with evidence suggesting that the situation has deteriorated over the course of the pandemic.

Household income

Household income is one of the factors that has the greatest impact on the risk of being in problem debt. Arrears are overwhelmingly concentrated in lower-income households: those with an income of less than £40,000 were significantly more likely to be in arrears in May 2021 than higher income households. Similarly households with an income of less than £50,000 had been significantly more likely to have borrowed money than better-off households.⁶⁸

Chart 3 – Proportion of households which have fallen into debt by gross household income between January and May 2021 (%)

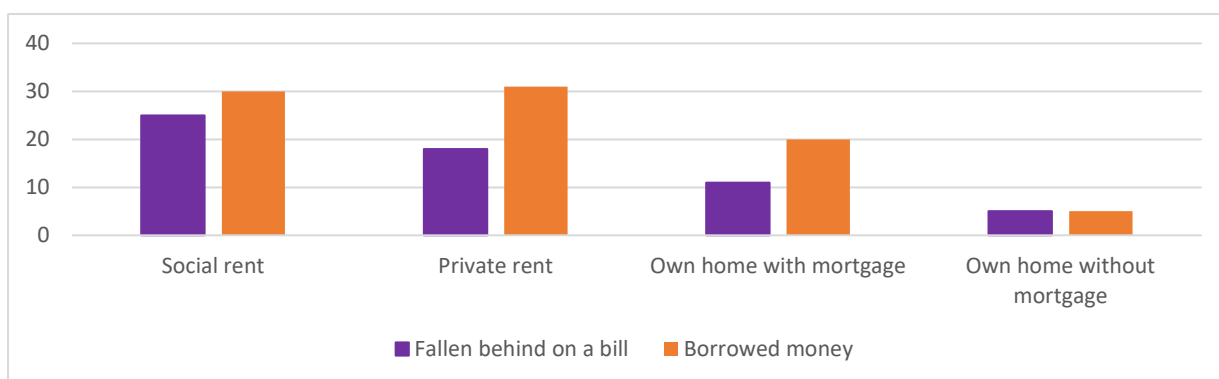


Survey undertaken by YouGov on behalf of the Bevan Foundation in May 2021

Housing tenure

Renters have been significantly more likely to fall into debt during the pandemic than owner occupiers. Social renters have been especially badly affected when it comes to arrears, with social renters being more likely to report being arrears on every major bill, than any other group.

Chart 4 – Proportion of households which have fallen into rent arrears by housing tenure between January and May 2021 (%)

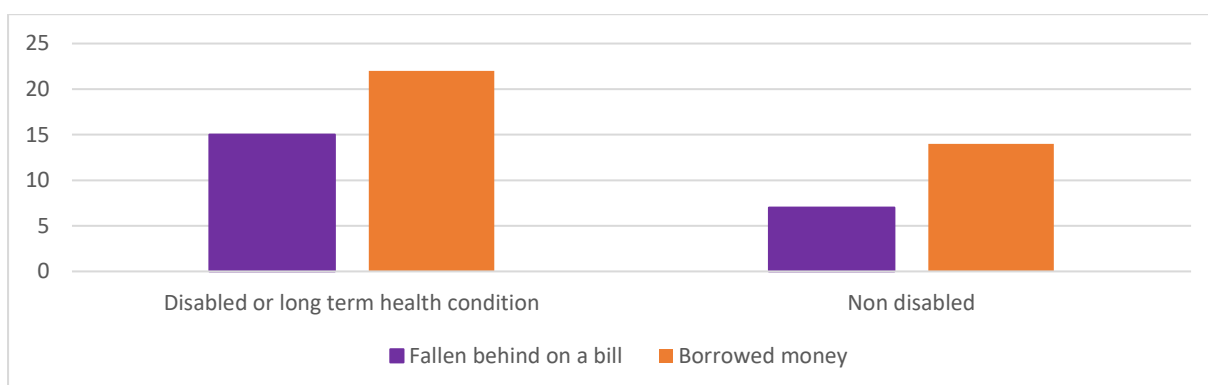


Survey undertaken by YouGov on behalf of the Bevan Foundation in May 2021

Disability

Disabled people have been twice as likely to be in arrears over the course of the pandemic as non-disabled people and have faced a significantly heightened risk of having to borrow money to make ends meet. Disabled people or people with long-term health conditions whose activities are limited "a lot" have been even more heavily affected with 21 per cent being in arrears between January and May 2021 and 24 per cent borrowing money.

Chart 5 – Proportion of households which have fallen into rent arrears by disability status between January and May 2021 (%)



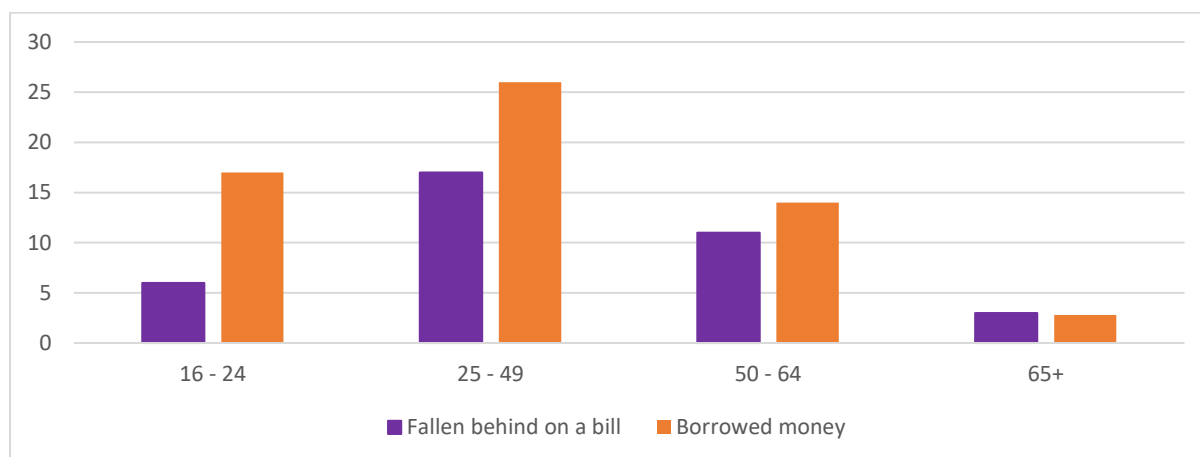
Survey undertaken by YouGov on behalf of the Bevan Foundation in May 2021

Age and household composition

Working age adults aged 25 to 49 are the age group who have faced the greatest risk of falling into debt during the pandemic. This is likely to be driven, at least in part, by the fact

that adults within this age group are more likely to be responsible for a child than older or younger households, putting more pressure on living costs.

Chart 6 – Proportion of households who have fallen into debt by age between January and May 2021 (%)



Survey undertaken by YouGov on behalf of Bevan Foundation in May 2021

The challenges of meeting the cost of raising children is likely to be a major factor in problem debt amongst lone parents. The sample size of our two YouGov polls was too small to draw definitive conclusions but both suggest that lone parents have been amongst the most affected groups. Data gathered by StepChange supports this finding. Between March and May 2021 lone parents accounted for 22 per cent of people who approached Step Change for support despite constituting only six per cent of the broader UK population.⁶⁹

Ethnicity

Some minority ethnic groups have been at a heightened risk of adverse economic impact during the pandemic. People from BAME groups in Wales have been more likely to work in sectors that have been shut down as a result of lockdown than white people.⁷⁰ Given that Black and Asian groups were more likely to live in poverty before the Coronavirus outbreak and that low-income households have been more likely to fall into debt, it is reasonable to assume that BAME households been more likely to experience problem debt during the pandemic than others.⁷¹

4.2 The causes of problem debt during the pandemic

There are multiple reasons why people are pushed into problem debt. Major life events, income shocks, high living costs, a lack of financial skills and weaknesses within the social security system are all factors that affect people's financial position.⁷² The pandemic has exacerbated the impact of these factors whilst also presenting some new challenges. As ever, the groups of people that were already at greater risk of living in problem debt have been most affected.

The impact of the pandemic on incomes

The pandemic has seen the incomes of thousands of households across Wales fall. Between January and May 2021 one in five Welsh households saw their incomes

decrease.⁷³ This follows nearly a quarter of households reporting a drop in their incomes between March and December 2020.⁷⁴ For some of these households, the fall in income since January will be on top of decreases in income experienced earlier in the pandemic, others will have seen their incomes drop for the first time. There have been several factors that have led to households seeing their incomes fall:

- A rise in unemployment.⁷⁵
- Workers receiving reduced pay due to being furloughed.⁷⁶
- Workers receiving reduced pay due to working reduced hours.⁷⁷
- Workers being unable to work due to shielding guidance/ self isolation rules.⁷⁸
- The impact of the pandemic on people's health and wellbeing.⁷⁹

These five factors have disproportionately affected people who were already at greatest risk of being in problem debt. For example, workers in low-paid roles were less able to work from home than higher paid workers.⁸⁰

Any reduction in income can place a strain on household finances. For those that were already struggling to make ends meet, the additional pressure can push some households into problem debt and deepen the debt of those with existing problems.

Some of the families lost their job, especially zero hours workers so there is huge financial difficulty in the area...

Some of people have struggled, especially the taxi drivers, they have arrears with their housing. The Government did give help with a grant or something like that, but, I know, my friends have a problem with rent arrears and are behind on their bills. It was terrible during the first lockdown.

Resident, Riverside, Cardiff, Bevan Foundation, TCC and SRCDC discussion group 19 August 2021

The impact of the pandemic on costs and services

Many households across Wales have seen their living costs increase over the last 18 months, especially utilities, food and internet:

- 43 per cent of households are spending more on heating, electricity and/or water.
- 38 per cent of households are spending more on food.
- 20 per cent of households are spending more on internet costs or devices to access the internet.⁸¹

Households who have experienced a drop in income or which were already struggling have faced the difficult decision of whether to cut back, borrow or go into arrears.

This process can quickly become cyclical. We heard from one mother in Cardiff who did have some modest savings prior to the pandemic but who no longer had any left and had to start borrowing money to make ends meet:

After I pay my bills I have to borrow money to cover the rest of the month which means by the time I pay that back from my next pay I'm short again which puts me back in the same problem.

Mother, Cardiff, workshop with Action in Caerau and Ely, 6 July 2021

Additional pressures on households come from ongoing financial commitments from which they cannot simply withdraw. These include commitments such as internet contracts or car finance. The terms of agreements often mean that contracts cannot be cancelled without significant penalty. The lack of flexibility means that households cannot rapidly reduce their living costs in line with any reduction in their income, giving households very little room to manoeuvre and pushing some into problem debt.

Many families with two full-time workers have been put on furlough, it's meant a 40 per cent reduction in income – and that was their disposable income, e.g. for paying off a car. So they're now going to the food banks.

Resident and worker, Caia Park, Wrexham, Bevan Foundation and TCC online discussion group, 4 May 2021

The closure of key public services and private business during lockdown is also likely to have affected households' ability to cope. On the one hand closures have increased living costs, for example the reduction in the availability of public transport meant that people were forced to pay for taxis or to shop in local convenience stores, rather than in supermarkets, increasing their expenditure. On the other, the closure of such services has made it much harder for people to pay their bills or to get support to maximise their income.

It doesn't help that estate offices are closed, if you don't have internet access you can't pay bills over the internet and then you then get into more debt...

Resident, Plas Madoc, Wrexham 6 July 2021

These problems were even greater for people for whom English or Welsh are not their first language.

That was the main barrier, because these people don't speak the language clearly so they don't know what support is available and if we send them a form they cannot fill it...

Resident and community worker, Wrexham, Bevan Foundation, TCC and SRCDC discussion group 19 August 2021

Other factors

There have been other developments over recent months which have affected low-income households' financial position. One example is the decision by Provident Loans to stop doorstep lending.⁸² Provident Loans had provided high-interest doorstep loans, often to people with poor credit history for over a century. Whilst the high-interest loans often trapped people in a cycle of debt, we heard from stakeholders that the fact that the lender had been operating for more than a century meant that generations of some families had grown reliant on the credit provided by Provident. Whilst the company's business practices were criticised by all stakeholders there were concerns that the

company's withdrawal from the market would leave many Welsh households without access to credit. The Credit Unions of Wales and Moneyline both reported seeing some former Provident customers using their services for the first time, but there are concerns that many may have turned to loan sharks.

The impact of the pandemic on the labour market may also have pushed some households into problem debt for reasons other than a fall in their income. We heard concerns that workers from low-income households who lost their jobs as a result of the pandemic have had to borrow money to re-enter the labour market. For example, we heard that there are a number of jobs available in the construction and logistics industry where workers require certificates to prove that they are capable of using equipment safely. Many workers who have lost jobs have the skills to take on these roles but lack up to date certification and do not have funds to get the necessary documentation. We heard of some workers borrowing money to cover the cost of testing and certification, including using loan sharks.

We also heard that many migrants to Wales have families in other parts of the world which they have been unable to visit for many months due to international travel restrictions, or the high costs of Covid testing and quarantine. Some migrants who had travelled for major family events such as funerals have borrowed money to allow them to do so, placing them at risk of problem debt.

Linked to this we heard that the closure of international travel led to financial hardship for some migrants as people became stuck in different countries.

I have a couple that were stranded in Portugal for almost a year. That bought many financial difficulties because they had to carry on paying the rent and everything here and one of the partners lost his work as there was no way to return, and there have been lots of these strange, complicated, cases.

Resident and community worker, Wrexham, Bevan Foundation, TCC and SRCDC discussion group 19 August 2021

5. Mitigating the impact of the pandemic on debt

The pandemic has unquestionably had a negative impact on the financial position of thousands of Welsh households although overall it has not been as severe as many feared.

Many stakeholders that provide people with direct support to manage debt reported seeing a reduction in the number of people using their services. Furthermore, the total value of unsecured debt to individuals has actually fallen since the start of the pandemic.⁸³ Credit scores have also improved on average.⁸⁴ There is also some evidence to suggest that rent arrears have returned to pre-pandemic levels,⁸⁵ whilst other forms of arrears have not increased as dramatically as may have been expected given the scale of the economic crisis.⁸⁶

The unique circumstances of the pandemic are in part responsible for this. Home working and social distancing rules meant that many households experienced a sharp fall in their expenditure whilst their incomes remained stable,⁸⁷ creating surplus income that was used to pay off some or all debts. Middle- and higher-income households have been significantly more likely to be able to work from home than lower-income households, making them more likely to have been able to pay off debts.⁸⁸ This is likely to explain, at least in part, why the overall picture on debt has appears to be improving whilst problem debt in low-income households appear to be worsening.

In addition, there has been significant support provided to households, especially low-income households, which has helped to prevent problem debt increasing. This section will explore the role of this support looking at five categories:

- supporting incomes
- payment relief
- emergency help
- limits on debt recovery
- debt relief.

5.1 Supporting incomes

The UK Government has taken significant action over the past eighteen months to safeguard the incomes of households affected by Covid-19. Perhaps the most significant of these measures was the furlough scheme. At its peak nearly one in three employments in Wales were furloughed, with a further 110,000 self-employed workers claiming support through SEISS.⁸⁹ There is consensus that both schemes played an important role in maintaining both jobs and incomes.⁹⁰

The actions taken by the UK Government to temporarily increase elements of the social security system has also helped to protect incomes. The decision to increase Universal Credit by £20 a week boosted the income of the least well-off households, whilst the increase to the Local Housing Allowance provided private sector renters with more support towards their housing costs. These measures have meant that many households on the very lowest incomes have actually seen their incomes increase over the course of the pandemic.⁹¹

The Welsh Government also took action to protect the income of workers. Its self-isolation support scheme provides low-paid workers who were required to isolate either

as a result of being contacted by track and trace or as a result of testing positive for Covid-19 with a one-off payment.⁹² Initially this payment stood at £500 but has subsequently increased to £750. The Welsh Government has also provided support to self-employed workers to supplement the support provided by the UK Government.

These measures have undoubtedly played an important role in protecting household incomes and preventing more households from falling into problem debt. Despite this there were some gaps in provision – across the UK 2.5 million self-employed workers and company owner-managers were unable to access either the furlough scheme or SEISS⁹³ while some households could not receive the £20 a week UC uplift as they claimed legacy benefits or were affected by the benefit cap.

5.2 Payment relief

Both the Welsh Government and private sector have offered support to either offset increased costs during the pandemic or to help with payments. These measures have allowed people to access essential services without having to go into arrears in the short term.

The Welsh Government's support in lieu of Free School Meals (FSM) provided children who were eligible for FSM with support equivalent to £19.50 a week per child in lieu of the meals provided in schools.⁹⁴ The fact that most Welsh local authorities chose to provide this support as direct cash payments⁹⁵ and that the support continued to be available over the holidays has ensured that many low-income households have been able to afford to provide a good quality diet to their children. This support was described by parents at our discussion groups as a "God send," a "massive help" and "absolutely fantastic".

Private businesses have also supported households. Most banks provided mortgage holders with an opportunity to take a payment holiday to enable them to rearrange their finances without falling into arrears on their repayments and made it easier for households to cover other living costs. Similarly utility companies developed schemes help households manage their finances. We heard that local Citizens Advice Bureaux had been provided with vouchers from British Gas that allowed people to top up their meter for free. Other providers offered credit to put on meters (as loans) to allow people to continue to have heating and electricity even if they were struggling financially.

Stakeholders were concerned that some of this support could lead to households falling into problem debt in the medium- to long-term, particularly as a result of utility companies' loans to top up meters. Residents told us that the repayment terms were steep:

When the pandemic first started energy suppliers said they would give credit on account, they gave £50 or so but people had to pay it back, so are now topping up £10 but only get £5 of heating. It's a vicious cycle of debt now, everyone would say yes to keeping their house warm.

Resident, Plas Madoc, Wrexham, 6 July 2021

Long-standing issues with Free School Meal eligibility criteria also meant that many low-income working families missed out on the additional support provided by the Welsh Government.⁹⁶

5.3 Emergency help

UK and Welsh Government emergency schemes such as Discretionary Housing Payments (DHP) and the Discretionary Assistance Fund (DAF) already played an important role in helping households to avoid problem debt by providing a grant to households struggling to make ends meet.⁹⁷ Both these schemes have been strengthened over the course of the pandemic.

DHPs are administered by local authorities with a pot of money being allocated to each from the UK Government. Local authorities are entitled to spend two and a half times their allocation, using their own resources to fund the increase. In response to the pandemic the Welsh Government has provided local authorities with additional funds to allow them to provide extra support beyond the funds provided by UK Government for 2021/22.⁹⁸ To maximise the value of this support it is important that all local authorities spend their allocation in full. Some authorities did not do so in 2020/21.⁹⁹

In March 2020 the Welsh Government increased the DAF's budget, allowed more frequent payments and introduced new flexibilities into the qualifying criteria. The impact was immediate, with almost 220,000 Covid-related Emergency Assistance Payments made via the DAF since then, with the average award being £67.¹⁰⁰ Whilst this was invaluable to those who received it, it is worth noting that in excess of 100,000 DAF applications have been rejected, in part as a result of difficulties proving that an application for support met the scheme's eligibility criteria.¹⁰¹ One of the challenges faced by households has been that proving that any increase in expenditure or reduction in cost has been as a direct result of the pandemic rather than broader economic pressure.

5.4 Limits on debt recovery

The UK and Welsh Governments put limits on how debts could be recovered. These measures have protected households, at least temporarily, from facing significant hardship and may have prevented some households from falling into problem debt in the first place.

Perhaps the most important of these measures was the eviction ban, which saw most evictions in Wales being prohibited until 30 June 2021.¹⁰² After this date landlords are now required to provide tenants with six months' notice in most eviction cases.¹⁰³ Insights provided by stakeholders suggests that this measure has supported households in two ways. First, for those who are in arrears, it reduced their immediate risk of homelessness during the height of the pandemic and second it may have also prevented some tenants being pushed into arrears in the first place.

We heard from Community Housing Cymru that the social landlords that had already developed more progressive approaches to housing management such as adopting 'no evictions into homelessness' policies appear to have seen their levels of rent arrears increase less significantly than other landlords. The eviction ban encouraged other social landlords to adopt similar approaches with Community Housing Cymru believing that this, at least in part, explained why arrears had not increased as dramatically within the sector as had been feared.

A similar process was thought to have taken place in the private rented sector (PRS). Stakeholders believed that given that there was little prospect of landlords finding new tenants during lockdown and they would not have been able to evict a tenant in rent

arrears in any case, many landlords and tenants came to arrangements to manage their rent so reducing arrears.

Other limitations have also had a positive impact. We heard from stakeholders in our roundtable discussion that the suspension of face-to-face debt enforcement had reduced some of the pressures felt by households and that the decision to halt Council Tax enforcement had had a similar benefit. There are still concerns that these measures may only provide a temporary reprieve.

5.5 Debt relief

Some measures have been taken by the Welsh Government to assist households who have fallen into debt to clear what they owe. Perhaps the best example of this is the introduction of the Tenancy Hardship Grant.

The Tenancy Hardship Grant was introduced over the summer of 2021 as a replacement for the Tenancy Saver Loan Scheme.¹⁰⁴ The grant makes support available for tenants in the private rental sector who are in arrears by allowing them to write off some or all of their housing debts. The scheme complements the support already in place for those in receipt of Housing Benefit or the housing element of Universal Credit through DHPs which are permitted to be used to clear arrears.

There are fewer examples of other types of debt relief. Every year, local authorities write off some Council Tax debt but this is done on a case by case basis. Some private businesses provide customers in debt with support, with many energy companies providing customers with grants to clear any arrears they have built up.¹⁰⁵ The availability of such support is dependent on the energy provider, however.

There was significant concern among the stakeholders that households that have fallen into problem debt as a result of the pandemic may have to rely on other forms of debt relief such as bankruptcy, individual voluntary arrangements (IVA) and debt relief orders (DRO). Whilst these forms of debt relief can be useful for households who are in significant problem debt, the cost of accessing them can often be prohibitive and they have an impact on a person's credit score. This raises the risk that if other forms of debt relief are not developed, the pandemic may have a lasting scarring effect on indebted individuals.

6. Problem debt and the months ahead

There are good reasons to think that the number of people in problem debt may increase over the coming months. Many of the support schemes that have protected households have either recently come to an end or are due to come to an end soon. With living costs increasing and concerns about the health of the economy persisting, many households could see their financial position deteriorate.

6.1 The end of Covid support schemes

Recent months have seen the UK and Welsh Governments begin the process of winding down many of Covid-related schemes. The UK Government's contribution towards the employers' costs in the furlough scheme has been reduced, and it has re-frozen the Local Housing Allowance rate at 2020/21 levels.¹⁰⁶ The Welsh Government has reduced the provisions of the Discretionary Assistance Fund,¹⁰⁷ ended the eviction ban and enabled bailiff enforcement action in line with relevant Covid 19 workplace safety regulations.¹⁰⁸

The removal of these protections is already having an impact on some Welsh communities.

Debt collecting was paused during Covid but they are back on the estate and they are going to want their pound of flesh – well the whole cow!

Resident and community worker, Caia Park, Wrexham, Bevan Foundation and TCC online discussion group, 4 May 2021

It is later in 2021 that the most significant changes to support will come into effect. On 30th September 2021 the furlough scheme will end.¹⁰⁹ With thousands of Welsh workers still on furlough there are concerns that many of these workers will lose their jobs. Also, on 30th September the flexibilities to the Welsh Government's DAF scheme will be removed, meaning that a claimant will only be entitled to emergency cash support in more restricted circumstances.¹¹⁰ On 6th October 2021 Universal Credit will be cut by £20 a week, meaning the last payment at the higher rate will be in late September.¹¹¹

Each of these development by themselves could have a detrimental impact on financial resilience and problem debt. Recent research by the Joseph Rowntree Foundation has revealed that more than a third of families with children will be affected by the cut to Universal Credit in all bar three Welsh constituencies.¹¹² Stakeholders feared that taken together the cumulative impact of these changes could be devastating.

6.2 The timing on the decision

The timing of the loss of support is likely to increase its effects on problem debt. Living costs are expected to continue to increase. Ofgem have already confirmed that the price cap on domestic energy will increase by £139 from October.¹¹³ Food costs are also projected to continue to rise. The effect of the surge in house prices on rents is still unclear, but any significant increases will further stretch household resources.

On top of these pressures, we heard from parents during our discussion groups who were worried about managing increased costs on a reduced income, during a time of year that they had historically found to be expensive.

It's coming at a time when school uniforms need to be bought, people are losing the extra £20 from Universal Credit, even before people on legacy benefits weren't getting the additional money. If you think things are improving, in my opinion that is a complete falsehood as on top of all that food prices are going up and it's going to be a crisis.

Resident, Caia Park, Wrexham, Bevan Foundation and TCC online discussion group, 4 May 2021

6.3 Trigger events

The combination of loss of support and rising costs may push more people into problem debt and act as a trigger that will allow us to see the full impact of the pandemic on problem debt for the first time.

We heard from stakeholders that provide front line support that eviction notices, enforcement letters or visits by bailiffs often act as trigger points for seeking advice. Some of the temporary protections removed those triggers, meaning that the true scale of the impact of the pandemic on problem debt may not yet have come to light. They are therefore braced for a surge in requests for help with problem debt this autumn.

7. Findings and next steps

The pandemic has had a very uneven impact on debt. It has provided some households with an opportunity to pay down debt, whilst the actions of both the UK and Welsh Governments has prevented over-indebtedness has helped to prevent an escalation of problem debt amongst many households. However, the situation has deteriorated for households that were already at a significant risk of being in problem debt.

In the short term, households in problem debt are likely to find the coming autumn and winter difficult. In the medium- to long-term, households in problem debt face multiple challenges. Repaying debt accrued over the course of the pandemic will leave many households with less disposable income, creating everyday shortfalls in income. Accumulated debt will also make it difficult for households to access some services, and they may find it more difficult or expensive to borrow money in future.

Given these significant consequences and concerns that the number of people affected could be set to increase over the autumn it is vital we develop measures to remedy the weaknesses within existing support schemes and to address some of the new issues that have been raised by this report. We therefore believe that the time is right for a new approach to solving problem debt, with a clearer focus on relief and prevention.

7.1 Emergency debt relief

Exiting problem debt is a significant challenge for many. The process of paying off historic debts often leaves households short, leading to households having to cut back on essentials or accrue new debt. Whilst there are some avenues available to establish arrangements with creditors to manage repayment or write off debt in its entirety, there are barriers to using IVAs, DROs and other forms of relief.¹¹⁴

The Welsh Government's decision to introduce the Tenancy Hardship Grant provides another possible model. In providing a route for tenants to clear their rent arrears, the Grant helps recipients to rearrange their finances and to become free of arrears, benefitting them in both the short- and long-term. This Grant complements the support already provided through DHPs.

There are examples of similar schemes in the private sector, with some energy companies offer grants to customers in significant arrears. The availability of schemes depends on which energy provider is used by a household, however.

With pressure on low-income households increasing, it is timely to consider a more progressive approach to debt relief in Wales. The levers to put such an approach into practice are to be found at Westminster and at Cardiff Bay.

At a Welsh level, the Welsh Government should work with local authorities to clear some of the significant Council Tax arrears that have been built up over the course of the pandemic. The Tenancy Hardship Grant itself should be revised so that the Grant is put on a demand-led footing and extended so that social housing tenants who are not eligible for DHPs can access the scheme.

With powers over fuel poverty devolved to Wales but with powers over energy regulation retained as Westminster, the Welsh and UK Governments should work together to

establish a consistent baseline of support by energy suppliers for indebted customers. The UK Government should take similar measures with regards to internet and phone bills, and work with stakeholders to explore how current mechanisms can be improved for those who have borrowed money.

7.2 Debt prevention

Debt relief is only one part of the answer to problem debt. It is also important that action is taken to prevent people falling into debt in the first place. We therefore recommend exploring the possibility of legislation that would place a duty on all public bodies,¹¹⁵ including schools and colleges, to prevent debt. There is precedent to take such action, with the Welsh Government having already placed such a duty on local authorities to prevent homelessness.¹¹⁶

Such a duty could have a number of benefits. It would ensure that all public bodies in Wales adopted a progressive approach to debt management. For example, we have highlighted evidence from Community Housing Cymru that suggests that rent arrears within the social housing sector may have been minimised due to more landlords developing progressive approaches to rent arrears. Enacting a prevention duty could ensure that similar practices are adopted across other sectors.

A prevention duty could also prohibit public bodies adopting practices that deepen debt. Council Tax collection practices, for example, can often deepen problem debt by making those who are in arrears liable for their outstanding bill in full or by charging additional fees.¹¹⁷ Prohibiting such practices could ease some of the debt problems faced by over indebted households.

The UK Government could adopt a similar duty for bodies within its remit. The approach taken by DWP to Universal Credit deductions, for example often exacerbates problem debt. Adopting a prevention duty could lead to such practices being amended and improved, reducing people's risk of being pushed into problem debt.

Alongside introducing a new legislative duty to prevent debt the Welsh Government should increase its investment in debt advice and education. The success of the Welsh Government's Income Maximisation Programme has demonstrated that investing in advice services can improve people's financial situation.¹¹⁸ It is important that the Welsh Government draws on these lessons and rolls out the piloted approaches more broadly.

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15 September 2021

Dear Members of the Equality and Social Justice Committee,

I am writing to you on behalf of the Gender Network, a policy forum that brings together 34 third sector organizations as well as activists and academics in Wales. As a network that aims to strengthen women's rights and gender equality for all women and girls in Wales, we were delighted to see that the Sixth Senedd has a dedicated Committee working on the equality and social justice portfolio. The need for this Committee is more urgent than ever. As Dame Louise Casey put it, "what were cracks before Covid are now chasms." If we do not act now, we will undo decades of progress on gender equality and push millions more into poverty.

As the Equality and Social Justice Committee is not undertaking a public consultation on its priorities for the Sixth Senedd, we would like to take this opportunity to highlight five areas that we believe should be key priorities for the Committee to consider during the Sixth Senedd and particularly the next 12 months.

1. Legally binding diversity and gender quotas

In line with the recommendations of the Expert Panel on Electoral Reform, we believe that *now* is the time to establish diversity and gender quotas as part of increasing the size of the Senedd and establishing an STV voting system. However, we were disappointed not to see any commitments on this in the Programme for Government announced earlier this year. We believe the Equality and Social Justice Committee needs to hold the Welsh Labour Government to account to deliver on its manifesto, which promised to "*build on the work of the Senedd Committee on Electoral Reform and develop proposals to improve the representation of the people of Wales in their Parliament.*" Legally binding quotas are absolutely necessary to achieve a Senedd that reflects the population it serves and makes decisions that are thoroughly informed by the perspectives and lived experience of MSs from a diverse range of backgrounds to produce better policy outcomes for all of us.

Despite the extensive work that has already been produced around quotas, there are two aspects that urgently need further clarification to ensure Wales' quota legislation is as robust and effective as it can be. These are a) ascertaining Wales' legislative competence around introducing quota legislation together with suitable incentive/sanction mechanisms, and b) developing a model of diversity quotas that reflects international best practice and works for Wales. We believe that the Equality and Social Justice Committee can play a key role by conducting an inquiry into these issues, thereby helping Wales to be a pioneer in diversity and gender quotas just as it was with the Well-Being for Future Generations Act. We understand that the Committee responsible for electoral reform is yet to be ascertained, but believe that the issue of diversity and gender quotas sits firmly within the portfolio and expertise of the Equality and Social Justice Committee. We believe the Committee can and should play a key role in progressing this crucial aspect of the electoral reform process.

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2. A green and caring recovery from the pandemic

We believe that rebuilding the economy must be inclusive and to achieve that we need a major focus on the value of care. Across Wales and the UK, women have been more likely than men to struggle financially and experience poor mental health as a result of the pandemic. We know that financial and mental health disparities are linked to women's roles in unpaid and low paid care work. Data shows that school closures during the pandemic have hit women on low incomes particularly hard, with those on incomes less than £20,000 almost five times more likely to lose their jobs or working hours due to childcare responsibilities in comparison to women on higher incomes. While there has been much talk of a Green Recovery, we must ensure that it is a Green and Caring Recovery or we will not be living up to our values of a more equal Wales. Other countries, such as Canada, are already leading the way on this though committing to major investments into childcare as part of a plan to rebuild the economy with care, inclusivity, and women at its heart. We believe that a key priority for the Equality and Social Justice Committee should be to scrutinise the Welsh Government's recovery plan to ensure caring is at the heart of building back better.

3. Poverty

Poverty rates in Wales remain stubbornly high. Women have a higher risk of relative income poverty than men and experience and impact of poverty can be very different for women, partly as a result of their different positions in the labour market and within households. Despite these challenges there is limited discussion of tackling poverty in the Programme for Government. Many organisations, and the ELGC Committee from the previous Senedd, have called for a greater focus on tackling poverty, including a comprehensive tackling poverty strategy that takes account of the different characteristics, circumstances and barriers facing people in poverty, devolution of administrative powers over social security and work to create a coherent Welsh benefits system based on principles of equality, dignity and fairness. In the context of Covid, the removal of the £20 uplift to Universal Credit and discussions about UBI, it seems timely for the Committee to revisit the issue of poverty to ensure that every opportunity to tackle the root causes of poverty is seized this Senedd term.

4. Gender Equality Review implementation

In accepting the recommendations set out in the Gender Equality Review, and specifically the report Deeds not Words, Welsh Ministers took an important step towards implementing equalities mainstreaming. This is essential if we are to address structural inequality as if we do not change how decisions are taken we will keep developing policy that fails to account for the gendered nature of our economy and society and will therefore keep reinforcing and recreating inequality. The initial steps that Welsh Government intended to take to implement the recommendations from the Review were outlined in the Advancing Gender Equality: Action Plan. While it is understandable that the pandemic resulted in slower progress than initially intended, we do think it is timely for the ESJ Committee to carry out an inquiry to understand how implementation of this ambitious programme of change is going. To implement equalities

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mainstreaming, to ensure that policy and programme design and budgetary decisions actively contribute to the achievement of equality ambitions, would mark Wales as a leader within in the UK, and would bring us in-line with world leaders such as the Nordic nations.

5. Support for women and girls with no recourse to public funds (NRPF)

We have concerns around the safety for women with NRPF fleeing abusive relationships. The Domestic Abuse Act (2021) has fallen short in its potential to protect and support all survivors, regardless of immigration status. We strongly advocate that it is time for Wales to develop its own solution to supporting survivors with no recourse to public funds and make good on its claims of being a nation of sanctuary. This needs to include safe and secure accommodation, provision in refuge with local authorities working with specialist services to enable support for survivors with NRPF. The committee should prioritise holding Welsh Government to account on whether it is effectively utilising its policy and powers to provide clear instruction on responsibilities under the Social Services and Well-Being (Wales) Act and consider the effectiveness of any future legislative change / updated guidance if existing legislation is not being fully utilised. We propose that the committee also call on the Minister for Social Justice to provide evidence to the committee on the above and to hear from specialist services and survivors as to whether this is the reality.

NRPF is a condition imposed on individuals under various immigration control conditions, such as EEA nationals who do not meet eligibility criteria, individuals on student and work visa, visa overstayers or illegal entrants. Women with insecure immigration status, or whose immigration status is dependent on a spouse or employer are at particular risk of violence and exploitation. They face a hostile environment of immigration checks in healthcare, maternity, education and housing settings, are prevented from accessing protection and support due to their NRPF status and they face a real risk of being detained and deported rather than assisted if they report abuse. This hostile environment is exploited by abusers to control them and scare them into not seeking help.

We would be delighted to meet you to talk about how we can support the Equality and Social Justice Committee in scrutinizing and holding the Welsh Government to account in the areas outlined above. We would be grateful if your office could contact Jessica Laimann at WEN Wales to arrange a suitable date for a meeting on jessica@wenwales.org.uk and look forward to your response.

Yours sincerely,

Jessica Laimann (on behalf of the Gender Network)
Policy and Public Affairs Officer, WEN Wales

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Jenny Rathbone AS

Cadeirydd y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol

21 Medi 2021

Annwyl Jenny

Diogelu Gwybodaeth Gyfrinachol: cytundebau y DU/Estonia, y DU/Latfia, y DU/Gwlad Belg a'r DU/yr Eidal

Byddwch yn gwybod mai y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad sy'n gyfrifol am fonitro'r broses o weithredu cytundebau rhyngwladol nad ydynt yn ymwneud â masnach yn y Chweched Senedd.

Yn ein cyfarfod ar 13 Medi 2021 gwnaethom ystyried pedwar cytundeb rhyngwladol rhwng y DU ac aelod-wladwriaethau unigol yr UE (Y DU/Estonia, y DU/Latfia, y DU/Gwlad Belg ac y DU/Yr Eidal) ar ddiogelu gwybodaeth gyfrinachol.

Bydd y cytundebau hyn yn darparu sylfaen gyfreithiol ar gyfer diogelu unrhyw wybodaeth gyfrinachol a gyfnewidir rhwng y DU ac Estonia, y DU a Latfia, y DU a Gwlad Belg a'r DU a'r Eidal, a allai gynnwys pynciau fel amddiffyn, gorfodi'r gyfraith, gwrthderfysgaeth a diogelwch.

Yn ystod ein hystyriaeth gwnaethom gytuno i dynnu sylw'r Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol at y cytundebau, mewn perthynas â'u goblygiadau, os o gwbl, i asiantaethau cyfiawnder troseddol yng Nghymru.

Yn gywir,

Mew Iwanca-Davies

Huw Irranca-Davies

Cadeirydd

Jane Hutt AS

Y Gweinidog Cyfiawnder Cymdeithasol

22 Medi 2021

Annwyl Jane

Memorandwm Cydsyniad Deddfwriaethol: Bil yr Heddlu, Troseddu, Dedfrydu a'r Llysoedd

Yn ein cyfarfod ddydd Llun 20 Medi gwnaethom ystyried Memorandwm Cydsyniad Deddfwriaethol Llywodraeth Cymru ar Fil yr Heddlu, Troseddu, Dedfrydu a'r Llysoedd Llywodraeth y DU. Mae angen rhagor o wybodaeth ar y Pwyllgor am nifer o faterion. O ystyried ein dyddiad cau ar gyfer adrodd, sef 14 Hydref 2021, byddem yn ddiolchgar o gael ymateb gennych erbyn **hanner dydd ar 30 Medi 2021**.

Cwestiwn 1: Rhoddir cyfiawnhad dros ofyn am gydsyniad y Senedd mewn perthynas â'r cymalau a ganlyn yn fyr ym mharagraff 9 a pharagraff 10 o'r Memorandwm:

Cymal 1 (Cyfamod yr Heddlu);

Cymal 2 (Cynnydd yn y gosb am ymosodiadau ar weithwyr y gwasanaethau brys);

Cymalau 7-8, 10-16, 19-22 (Swyddogaethau'n ymwneud â thrais difrifol); a

Chymalau 23-35 (Adolygiad o laddiad gydag arfau tramgwyddus).

A oes modd i chi ddarparu manylion ychwanegol i roi esboniad, a chadarnhau, pam y dylid gofyn am gydsyniad y Senedd ar gyfer y darpariaethau hyn?

Cwestiwn 2: Mae paragraffau 13 a 14 o'r Memorandwm yn nodi y bydd Llywodraeth Cymru yn argymhell bod y Senedd yn gwrthod rhoi cydsyniad i gymal 9, cymal 17 a chymal 18 o'r Bil. Mae hyn oherwydd pryder y byddai'r darpariaethau'n caniatáu i'r Ysgrifennydd Gwladol gyhoeddi cyfarwyddiadau at ddibenion gorfodi'r ddyletswydd trais difrifol, a allai o bosibl gynnwys cyhoeddi

cyfarwyddiadau ar faterion datganoledig sy'n dod o fewn cylch gwaith awdurdodau datganoledig Cymru. A oes modd i chi egluro pa faterion datganoledig yr ydych yn cyfeirio atynt?

Cwestiwn 3: A oes modd i chi egluro pam mae Llywodraeth Cymru yn credu bod y cymalau a ganlyn o fewn cymhwysedd deddfwriaethol y Senedd ac, ar ben hynny, egluro pam y dylai'r Senedd roi ei chydysyniad i'r cymalau hyn:

Cymalau 36-37 a 40-41 (Echdynnu gwybodaeth o ddyfeisiau electronig); a
Cymal 43 (Mechnïaeth cyn cyhuddo).

Cwestiwn 4: A oes modd i chi egluro pam na chrybwyllir cymal 38 a chymal 39 yn y Memorandwm, o ystyried eu bod yn rhan o'r gyfres o ddarpariaethau sy'n ymdrin ag echdynnu gwybodaeth o ddyfeisiau electronig (y mae Llywodraeth Cymru yn eu hystyried sy'n gofyn am gydsyniad)?

Cwestiwn 5: A oes modd i chi egluro pam mae Llywodraeth Cymru yn credu bod cymal 42 (personau awdurdodedig) o fewn cymhwysedd deddfwriaethol y Senedd, ac egluro a yw'n ystyried y dylai'r Senedd roi ei chydysyniad i'r cymal hwnnw?

Cwestiwn 6: A oes modd i chi egluro pam mae Llywodraeth Cymru yn ystyried mai effaith cymal 46 (Difrod troseddol i gofebau: dull y treial) fyddai cynyddu'r ddedfryd bosibl am ddifrod troseddol i garchar am oes mewn amgylchiadau lle'r oedd y diffynnydd yn bwriadu peryglu bywyd neu yn gwneud hynny yn ddi-hid? Mae'r Pwyllgor wedi cael cyngor bod y drosedd hon yn dditiadwy yn unig ac felly ei bod eisoes yn denu'r gosb uchaf o garchar am oes o dan adran 4(1) o *Ddeddf Difrod Troseddol 1971*.

Cwestiwn 7: Yn y Memorandwm, mae Llywodraeth Cymru yn argymhell bod y Senedd yn rhoi ei chydysyniad i gymal 59 (Achos niwsans cyhoeddus), a'i bod yn dal yn ôl ei chydysyniad i gymalau 61 i 63 (Gwersylloedd diawdurdod). A allwch chi egluro pam mae Llywodraeth Cymru yn credu bod angen cydsyniad ar gyfer y pedwar cymal?

Rwy'n copio'r llythyr hwn at sylw Jenny Rathbone AS, Cadeirydd y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol.

Edrychaf ymlaen at gael eich ymateb erbyn 30 Medi.

Yn gywir,



Huw Irranca-Davies
Cadeirydd





Canolfan
Llywodraethiant Cymru
Wales Governance
Centre

Y Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol: blaenoriaethau ar gyfer y Chweched Senedd

Ymateb ymgynghori gan Gyngor Gweithredu Gwirfoddol Cymru (WCVA) a Chanolfan Llywodraethu Cymru (WGC).

Ar gyfer unrhyw ymholiadau, e-bostiwch Lilla Farkas (lfarkas@wcva.cymru) a Charles Whitmore (whitmorecd@cardiff.ac.uk).

Cyflwyniad

1. Hoffem ddiolch i'r Pwyllgor Diwylliant, Cyfathrebu, Iaith Gymraeg, Chwaraeon a Chysylltiadau Rhyngwladol am y cyfle i fwydo i mewn i osod ei flaenoriaethau ar gyfer y Chweched Senedd. Ysgrifennwyd yr ymateb hwn mewn cydweithrediad gan WCVA a'r WGC yng nghyd-destun Fforwm Cymdeithas Sifil Cymru ar Brexit - prosiect partneriaeth i gefnogi'r sector gwirfoddol yng Nghymru wrth i'r DU dynnu'n ôl o'r UE ac mae'n ymwneud â'r rhan cysylltiadau rhyngwladol o'r cylch gwaith y pwyllgor, yn fwyaf arbennig mewn perthynas â Brexit. Mae Co-ops & Mutuals Wales a Cytûn hefyd wedi cyfrannu mewnbyn.
2. **WCVA** yw'r sefydliad aelodaeth cenedlaethol ar gyfer y sector gwirfoddol yng Nghymru. Ei weledigaeth yw ar gyfer dyfodol lle bydd y trydydd sector a gwirfoddoli yn ffynnu ledled Cymru, gan wella lles i bawb. Ei bwrpas yw galluogi sefydliadau gwirfoddol i wneud gwahaniaeth mwy gyda'i gilydd.
3. Mae'r **WGC** yn uned ymchwil a noddur ac a gefnogir yn Ysgol y Gyfraith a Gwleidyddiaeth, Prifysgol Caerdydd. Mae'n cynnal ymchwil arloesol i bob agwedd ar gyfraith, gwleidyddiaeth, llywodraeth ac economi gwleidyddol Cymru, yn ogystal â chyd-destunau ehangach llywodraethu tiriogaethol y DU ac Ewrop.
4. Mae'r ymateb hwn yn seiliedig ar ein gwaith mewn perthynas â thynnu'r DU allan o'r Undeb Ewropeaidd ac mae'n benodol i gylch gwaith cysylltiadau rhyngwladol y pwyllgor, gan gynnwys perthynas 'Cymru' â phartneriaid Ewropeaidd a byd-eang hefyd.

Pa faterion ddylai'r pwyllgor eu blaenoriaethu wrth gynllunio ein rhaglen waith ar gyfer y tymor uniongyrchol a'r tymor hwy?

1. Ym maes cysylltiadau rhyngwladol, mae Cytundeb Masnach a Chydweithrediad yr UE/DU (TCA) yn creu strwythur sefydliadol cymhleth i oruchwylio ac adolygu perthynas y DU/UE. Mae hyn yn cynnwys Pwyllgorau Arbenigol, Gweithgorau, y Pwyllgor Partneriaeth Masnach a'r Cyngor Partneriaeth. Mae hefyd yn ei gwneud yn ofynnol i'r ddwy ochr ymgynghori â chymdeithas sifil ar weithredu'r Cytundeb. Yn ddomestig mae hyn i ddigwydd trwy'r Grŵp(iau) Cyngori Domestig (DAG) ac yn rhyngwladol trwy'r Fforwm Cymdeithas Sifil (CSF).¹ O ystyried y croestoriadau rhwng y TCA a chymhwysedd datganoledig, mae'n bwysig bod cynrychiolaeth y DU yn y strwythurau hyn yn cynnwys safbwyntiau o Gymru. Fodd bynnag, nid yw'n eglur ar hyn o bryd sut y bydd hyn yn digwydd na sut y bydd Llywodraeth Cymru yn ymwneud â'r cyrff llywodraethu eraill. Rydym yn argymhell bod y Pwyllgor yn craffu ar ymdrechion Llywodraeth Cymru i sicrhau mewnbwn ystyrlon, strwythuredig ac amserol. Bydd hyn hefyd yn hwyluso cydgysylltu ac ymgysylltu â chymdeithas sifil yng Nghymru cyn cyfarfodydd TCA allweddol.
2. Mae darpariaethau'r TCA ar gydweithrediad seneddol yn cynnwys sefydlu Cynulliad Partneriaeth Seneddol yn ddewisol, i gyfnewid barn rhwng Aelodau Senedd Ewrop a Senedd y DU ar weithredu'r Cytundeb. Rydym yn argymhell bod y Senedd, gyda'i chymheiriaid ledled y DU, yn ystyried sut y bydd mewnbwn datganoledig hefyd yn cael ei hwyluso i'r strwythur hwn.
3. Croesawom ni lansiad y Strategaeth Ryngwladol ar gyfer Cymru y llynedd ac ymrwymiad Llywodraeth Cymru i sefydlu Cymru fel cenedl sy'n edrych tuag allan ac yn gyfrifol yn fyd-eang. Er nad oes portffolio gweinidogol pwrpasol ar gyfer cysylltiadau rhyngwladol ar hyn o bryd, mae'r uchelgeisiau a'r gweledigaethau a nodir yn y strategaeth yn parhau i fod yn berthnasol. Yng nghyd-destun Brexit yn cael effaith negyddol ar yr amodau sylfaenol ar gyfer cydweithredu trawsffiniol cymdeithas ddinesig, bydd angen i Lywodraeth Cymru feithrin amgylchedd sy'n grymuso sefydliadau i nodi a bachu cyfleoedd i gydweithredu â'r UE ac yn fyd-eang.
 - 3.1 Amlygwyd yr awydd i gynnal cysylltiadau presennol ac adeiladu cysylltiadau newydd â phartneriaid Ewropeaidd ar ôl i'r DU dynnu'n ôl o'r UE, ac i Gymru gadw ei rhagolwg rhyngwladol fel un o'r prif flaenoriaethau ôl-Brexit i'n sector. Mae'r perthnasoedd hyn yn rhoi cyfle gwerthfawr i sefydliadau rannu'r dysgu ac ymarfer gorau, a chydweithio ar fuddiannau a phryderon a rennir. Gall tynnu'r DU allan o'r UE, ac o'r rhan fwyaf o raglenni'r UE atal momentwm yn y maes hwn a bydd yn creu bwlch yn y ddarpariaeth o weithgareddau cydweithredu trawsffiniol.

¹ Cytundeb Masnach a Chydweithrediad y DU/UE, erthyglau 12-14. Ar gael: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982648/TS_8.2021_UK_EU_EAEC_Trade_and_Cooperation_Agreement.pdf

- 3.2 Mewn ymateb i'r pryderon hyn, croesawom ni ymdrechion Llywodraeth Cymru i gefnogi cydweithredu trawsffiniol trwy'r alwad ddiweddar gan SCoRE Cymru sy'n ceisio hwyluso mynediad i Horizon Europe a chynyddu cydweithrediad Môr Iwerddon gan liniaru diweddu rhaglen ETC Cymru yn y pen draw. Rydym hefyd yn ymwybodol bod Llywodraeth Cymru wedi ceisio mynd i'r afael â'r pryderon hyn o dan y Fframwaith Buddsoddi Rhanbarthol. Mae hwn yn cynnwys adran weithio ryngwladol a thrawsffiniol bwrpasol sy'n trafod 'Cronfa Hyblyg' i fuddsoddi mewn cyfleoedd trawsffiniol a rhyngwladol ar raddfa fach ac 'Agile Fund Plus' i fuddsoddi mewn cyfleoedd ar raddfa fwy. Rydym yn amau bod y cynlluniau hyn wedi cael eu rhwystro gan hynt Deddf Marchnad Fewnol y DU y mae'n ymddangos ei bod yn hwyluso canoli amnewidiadau ar gyfer Cyllido'r UE sy'n osgoi Llywodraeth Cymru. Rydym yn argymhell bod y Pwyllgor yn craffu ar ymdrechion parhaus Llywodraeth Cymru i sicrhau bod y dirwedd yng Nghymru yn gefnogol i gyfleoedd trawsffiniol er gwaethaf yr heriau hyn.
- 3.3 Fel yr adlewyrchir yn y Strategaeth Ryngwladol hefyd, nid yw meithrin perthnasoedd â phartneriaid y tu allan i'r DU yn gyfyngedig i'r UE ac Ewrop, er enghraifft mae gan Gymru raglenni sefydledig yn Affrica eisoes. Mae'n bwysig nodi bod cymdeithas ddinesig yn gwneud cyfraniad sylweddol at adeiladu'r cysylltiadau hyn, sy'n aml yn digwydd y tu allan i'r strwythurau ffurfiol wrth i berthnasoedd ddatblygu waeth beth fo'r Llywodraeth, ond mae'r rhain yn gweithredu mewn hinsawdd a gefnogir yn amlwg gan Weinidogion ac ni ddylid eu hesgeuluso. Er enghraifft, adlewyrchodd Co-ops & Mutuals Wales i ni eu bod yn ystod 2021-2022 yn bwriadu archwilio cyfleoedd pwysig ar gyfer dysgu rhwng cymheiriaid rhwng Ysgolion Uwchradd Cymru a Malaysia. Fe wnaethant hefyd nodi diddordeb ehangach ymhlith ysgolion mewn cysylltiadau datblygiedig rhyngwladol, gydag un pennaeth yn tynnu sylw at werth y cysylltiadau presennol sydd gan eu hysgol ag Ysgol yn Lesotho. Mae Cytun hefyd wedi nodi mewn trafodaethau ar Brexit, bod cyfleoedd fel gefeillio yn parhau i fod yn bosibl ac y dylid eu hannog.
- 3.4 Rydym yn croesawu cynllun Llywodraeth Cymru i lansio rhaglen Cyfnewid Dysgu Rhyngwladol newydd a fydd yn cynnwys symudedd staff a phartneriaeth strategol hefyd, fodd bynnag, nid yw'n eglur a fydd gwirfoddoli rhyngwladol yn weithgaredd cymwys o dan y rhaglen hon. Mae colli mynediad i'r Corfflu Undod Ewropeaidd yn ergyd sylweddol i'r cyfleoedd gwirfoddoli hyn yng Nghymru, a gobeithiwn y bydd Llywodraeth Cymru yn mynd i'r afael â'r bwlch hwn yn y rhaglen.

Sut mae Brexit a'r berthynas newydd rhwng y DU a'r UE yn effeithio arnoch chi neu'ch sefydliad?

Effeithiau systematig ar dirwedd y mae'r sector gwirfoddol yn gweithredu ynddo

1. Mae WCVA a'r WGC wedi bod yn ymgysylltu â'r sector gwirfoddol mewn trafodaethau ar effaith Brexit cyn ac ar ôl diwedd y cyfnod pontio. Ers diwedd y cyfnod pontio mae sawl thema wedi dod i'r amlwg o'r sgysiau hyn. Mae Brexit yn sylfaenol yn newid y dirwedd a llywodraethu tiriogaethol y mae ein sector yn gweithredu oddi mewn iddo, gan arwain at newidiadau systemig. Mae'n debygol y bydd angen ailystyried hefyd sut mae'r sector yn blaenoriaethu pa lefelau polisi y mae'n eu monitro ac yn ymgysylltu â nhw i ddylanwadu ar gyfer rhai. Mae Llywodraeth y DU yn canoli rheolaeth ffrydiau cyllido ar ôl yr UE ac yn sefydlu timau newydd yng Nghaerdydd (gan gynnwys o MHCLG, BEIS a DIT). Bydd angen i'r sector ddeall y patrymau newidiol hyn a meithrin perthnasoedd lle bo angen, er enghraifft: ASau a fydd â rôl newydd i'w chwarae wrth ariannu, Llywodraeth y DU ei hun yng Nghaerdydd a Whitehall a chyrrff newydd yn cael eu sefydlu fel y Swyddfa ar gyfer Diogelu'r Amgylchedd a'r Awdurdod Monitro Annibynnol ar hawliau dinasyddion yr UE. Yn hanfodol, mae'r cydbwysedd newydd hwn yn cynnwys newidiadau yn y modd y mae sefydliadau'n gweithio ar draws lefelau Ewropeaidd, y DU a Chymru.
2. Mae Brexit yn parhau i fod yn ffynhonnell ansicrwydd gan nad ydym eto wedi teimlo effaith lawn llawer o newidiadau:
 - 2.1 Nid yw cyllid yr UE yn dod i ben yn llawn tan 2023 ac mae Covid-19 wedi gohirio neu guddio rhai effeithiau (cyfyngiadau ar symudedd rhyngwladol er enghraifft)
 - 2.2 Nid yw'r holl newidiadau disgwylid wedi'u gweithredu (mecanweithiau llywodraethu'r TCA er enghraifft)
 - 2.3 a newidiadau posibl i'r dirwedd gyfreithiol ddomestig ar lefel y DU yn parhau
3. Mae sawl nodwedd ddiffiniol o'r dirwedd polisi newydd hon yn cyfrannu at yr ansicrwydd hwn ac sy'n gosod gofynion newydd ar allu cyfyngedig iawn ein sector eisoes. Mae'r rhain yn cynnwys rhyngweithio a allai fod yn gymhleth rhwng newydd-deb darpariaethau trin â thegwch y TCA a chyfleoedd newydd ar gyfer newidiadau sy'n deillio o gymwyseddau sy'n dychwelyd i'r lefelau datganoledig a'r DU. Mae patrymau datganoli cyfnewidiol hefyd yn llifo o Ddeddf Marchnad Fewnol y DU, nad yw eu heffeithiau llawn yn cael eu deall eto ond y credir yn gyffredin eu bod yn rhwystro gallu Cymru i weithredu polisi datganoledig yn effeithiol, gan gynnwys ymateb i newidiadau cysylltiedig â Brexit. Fel enghraifft o hyn, nodwn fod ymdrechion Llywodraeth Cymru i gynnwys cefnogaeth i fentrau cydweithredu trawsffiniol yn ei Fframwaith Buddsoddi Rhanbarthol, yn debygol o gael eu tansilio os bydd Llywodraeth y DU yn parhau i ganoli amnewid cyllid yr UE.
4. Mae sefydliadau wedi tynnu sylw at heriau gallu wrth fonitro a chraffu ar y newidiadau hyn yn ddomestig ac yn rhyngwladol. Ac eto, mae monitro tirwedd yr UE am newidiadau y byddai cymunedau yng Nghymru fel arall wedi elwa ohonynt yn cael ei ystyried yn

bwysig wrth lywio llunio polisi domestig. Gallai enghreifftiau cynnar o hyn gynnwys newidiadau sydd ar ddod fel Deddf Hygyrchedd yr UE² a gwelliannau o amgylch cyflog cyfartal.³ Mae diddordeb ehangach hefyd mewn monitro effeithiau dargyfeirio polisi gweithredol a goddefol posibl dros amser. Gallai hyn gynnwys effaith peidio â bod o fewn cylch gwaith prif ffrydio hawliau'r UE mwyach. Mae hyn wedi gwella polisi ar gyfer pobl anabl er enghraifft, a nodwn fod yr UE yn fuan i gadarnhau Confensiwn Istanbwl - rhywbeth y mae'r DU wedi bod yn ei oedi. Mae enghreifftiau pellach yn dechrau dod i'r amlwg, gydag arwyddion cynnar yn cael eu hamlygu gan sefydliadau amgylcheddol ym maes rheoliadau cemegolion.⁴

5. Mae cydweithredu trawsffiniol parhaus â sefydliadau cymdeithas sifil yr UE yn cael ei ystyried yn bwysicach nag erioed i hwyluso'r craffu hwn ac i barhau i ddysgu o ddyfeisiau polisi ein gilydd. Fodd bynnag, bydd llai o adnoddau ar gael i wneud hynny oherwydd colli cyllid yr UE, absenoldeb cydweithredu trawsffiniol fel blaenoriaeth mewn cyllid amnewid ar lefel y DU, yr angen i ailgyfeirio mwy o adnoddau sector i ymgysylltu ar lefel y DU ac ymateb i gofynion sefydliadol y TCA.
6. Mae ein sector wedi mynegi diddordeb arbennig yn llywodraethiant y TCA a'r strwythurau ffurfiol y mae'n eu creu ar gyfer cymdeithas sifil: y CSF a DAG. Ar hyn o bryd rydym yn sgwrsio â phartneriaid ledled y DU ar sut y gall y sector gwirfoddol, o bosibl mewn partneriaeth â'r undeb llafur a'r sectorau preifat, ysgogi eu hunain yn ac o amgylch y cyfleoedd newydd hyn ar gyfer trafod cymdeithas ddinesig drawsffiniol. Mae'r strwythurau hyn wedi dod yn arfer cyffredin yng nghytundebau masnach yr UE ers cytundeb 2011 yr UE/De Korea, er bod eu gweithrediad yn ymarferol yn amrywio o bartner masnachu i bartner masnachu. O ystyried y berthynas sydd eisoes yn bodoli rhwng y DU a'r UE, a rhwng eu cymdeithasau sifil, mae ein sector yn awyddus i'r rhain ddarparu llwyfan uchelgeisiol i gymdeithas sifil yng Nghymru a'r DU chwarae rôl wrth drafod, monitro, rhannu gwybodaeth am, a dylanwadu ar ddatblygiad perthynas y DU/UE. Fodd bynnag, yn seiliedig ar brofiad blaenorol yr UE yn y maes hwn, rydym yn rhagweld sawl her.

6.1 Ac eithrio'r sector amgylcheddol, ychydig iawn o ymwybyddiaeth sydd gan y sector gwirfoddol yng Nghymru o'r rôl y gall ei chwarae yn llywodraethu democrataidd cysylltiadau rhyngwladol, ac o ganlyniad, nid oes ganddo lawer o allu ac arbenigedd. Bu'n rhaid i Lywodraeth y DU fuddsoddi'n helaeth mewn uwchsgilio staff yn y maes hwn - bydd hyn yn debygol o fod yn ofynnol i'n sector hefyd, er y bydd ei adnoddau yn her.

² Comisiwn Ewropeaidd, 'Deddf Hygyrchedd Ewropeaidd', Ar gael:

<https://ec.europa.eu/social/main.jsp?catId=1202>

³ Comisiwn Ewropeaidd, 'Cwestiynau ac Atebion - Cyflog cyfartal: Mae'r Comisiwn yn cynnig mesurau ar dryloywder cyflog i sicrhau cyflog cyfartal am waith cyfartal', ar gael:

https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_961

⁴ Chemtrust, 'Cyfyngiadau Cyrhaeddiad y DU: Arwyddion Cyntaf Dargyfeiriad Rheoleiddio'r DU ar Gemegau', Ar gael: <https://chemtrust.org/uk-reach-divergence/>; gwelwch hefyd

6.2 Mae cysylltiadau allanol a masnach yn fater a gadwyd yn ôl, ac mae'r cyrff newydd hyn yn cynrychioli'r DU gyfan, ond mae gweithredu'r toriadau TCA yn torri ar draws buddiannau datganoledig. Felly, rydym yn argymhell bod y Pwyllgor yn monitro ymdrechion Llywodraeth Cymru i sicrhau bod y mecanweithiau hyn yn cynnwys gweithdrefnau ffurfiol i ganiatáu ar gyfer mewnbwn datganoledig strwythuredig. Credwn fod gennym y strwythurau a'r arferion ar waith yng Nghymru i ysgogi trafodaeth sector gyda Llywodraeth Cymru yn y cyfarfodydd mecanwaith cymdeithas ddinesig hyn ac o'u cwmpas, ac o amgylch cyfarfodydd lefel uwch fel y Cyngor Partneriaeth a'r Pwyllgor Partneriaeth Masnach. Fodd bynnag, mae gallu gwneud hynny yn dibynnu ar newid sylweddol yn y modd y mae Llywodraeth y DU yn ymgysylltu â Llywodraeth Cymru a'n sector. Yn wir, mae parodrwydd Llywodraeth ddomestig i weithio gyda'i chymdeithas sifil yn fater cyffredin ym mherthynas fasnachu eraill yr UE. Mae angen rhybudd digonol arnom o gyfarfodydd ac agendâu sydd ar ddod, yn ogystal â chyhoeddi cofnodion a materion sefydliadol eraill yn dryloyw i ymgynghori â'r sector yn amserol ac i sicrhau bod yr ymarferion hyn yn ddefnyddiol i'r DU a'r UE. Fodd bynnag, nid yw ymgynghoriad cyfredol Llywodraeth y DU ar hyn yn awgrymu'r lefel hon o uchelgais. Nodwn fod yr Arglwydd Frost wedi nodi'n ddiweddar: 'mai natur cymdeithas sifil yw nad oes angen caniatâd y Llywodraeth arni i ddatblygu cysylltiadau o'r fath ac i weithio'n effeithiol gyda fforymau a sefydlwyd o dan y cytuniadau. Rydym yn sicr yn gobeithio y byddai hynny'n digwydd.'⁵ Fodd bynnag, ym mhrofiad yr UE, mae effeithiolrwydd mecanweithiau'r gymdeithas sifil yn ei chytundebau masnach wedi'i ragamodi i raddau helaeth ar barodrwydd y Llywodraeth ddomestig i ymgysylltu'n barhaus ac mewn dull strwythuredig â chymdeithas sifil ac i sefydlu'r gweithdrefnau hyn a'u hadnoddu (ysgrifenyddiaeth yn benodol) mewn ffordd sy'n hwyluso hyn.

6.3 Mae'r TCA yn galw am gynrychiolaeth sefydliad cymdeithas sifil ehangach nag arfer - gan gynnwys er enghraifft grwpiau hawliau dynol. Rydym yn pryderu y gallai bwlch cynrychiolaeth ddod i'r amlwg os na fydd Llywodraethau Cymru a'r DU yn cymryd camau rhagweithiol i sicrhau bod ystod eang o sefydliadau yn gallu bwydo i'r broses hon. Mae hyn yn cynnwys y tu mewn a'r tu allan i'r strwythurau ffurfiol. Mae gennym gwestiynau penodol ynghylch Llywodraeth y DU yn negodi cylch gwaith y CSF i ran dau o'r TCA (masnach) oherwydd bod rhannau eraill o'r cytundeb yn amlwg yn berthnasol i fuddiannau cymdeithas ddinesig (Rhaglenni'r UE a gorfodaeth cyfraith/cydwethredu barnwrol er enghraifft fel mae goblygiadau hawliau dynol i'r rhain). Nodwn hefyd fod Llywodraeth y DU wedi negodi dileu'r gofyniad bod cynrychiolaeth cymdeithas ddinesig ar y CSF yn 'gytbwys', gan fod hyn yn nodwedd gyffredin o gytundebau masnach yr UE. Rydym yn pryderu y bydd hyn yn blaenoriaethu'r sectorau preifat ac undebau llafur yn ormodol gan beri anfantais i'r sector gwirfoddol. Er mwyn lliniaru hyn, rydym yn gobeithio gweithio gyda Llywodraeth Cymru i adeiladu sianeli mwy cynrychioliadol yng Nghymru i fwydo i lywodraethu'r TCA.

⁵ House of Lords, 'Civil Society Forum: UK Delegation', 24 June 2021, available at: <https://hansard.parliament.uk/lords/2021-06-24/debates/DA278476-A591-4655-A19F-D352E29D2461/CivilSocietyForumUKDelegation>

7. Mae'r fframweithiau Cyffredin a'r adolygiad o gysylltiadau rhynglywodraethol hefyd yn newid y ffordd y mae Llywodraethau Cymru a'r DU yn gweithio. Amlygwyd pryderon i ddechrau ynghylch tryloywder y broses fframweithiau cyffredin, ac mae'n dal yn aneglur sut mae'r diwygiadau hyn yn cyd-fynd â chyd-destun ehangach gwaith rhynglywodraethol, er enghraifft ar fewnbwn datganoledig i'r cyrff TCA.

Effeithiau penodol a thematig

8. Mae sefydliadau hefyd yn tynnu sylw at bryderon thematig penodol. Yn ein hymgysylltiad â'r sector ers diwedd y cyfnod pontio, y mater a grybwyllir amlaf yw colled y Cronfeydd Strwythurol a Buddsoddi Ewropeaidd a'r effaith sylweddol y bydd hyn yn ei chael ar y sector gwirfoddol yng Nghymru.

8.1 Mae'r sector wedi sicrhau dros £ 190 miliwn yn uniongyrchol gan Swyddfa Ariannu Ewropeaidd Cymru (o dan Raglenni cyfredol 2014-2020) gyda mwy o arian yn cael ei dynnu i lawr trwy gontractau. Nid yw effaith colli'r ESIFs wedi'i gyfyngu i faint o arian a dynnir yn ôl ond hefyd y trosoledd y mae'r cyllid wedi'i alluogi.

8.2 Mae hyfywedd rhai sefydliadau gwirfoddol sy'n derbyn cyllid ESIF yn ansicr. *“Rydyn ni wedi gallu tyfu'n rhannol oherwydd y rôl y mae ein prosiectau mawr [wedi'i hariannu gan ESIF] wedi ei chwarae wrth gefnogi ein gweithgareddau craidd. Os collir nifer o'r prosiectau hyn, gallai'r effaith fod yn drychinebus i'r sefydliad”.*⁶

8.3 Mae rhai yn rhagweld effaith economaidd y pandemig, tynnu'r ESIFs, ar y cyd â'r pwysau presennol a gyflwynir gan lymder, yn gwthio awdurdodau lleol tuag at hunan-gadwraeth - ar draul y sector gwirfoddol. *“Os bydd Awdurdodau Lleol a Llywodraeth Cymru yn ymdrochi'r deorfeydd ac yn tynnu danfon yn fewnol, bydd sefydliadau [sector gwirfoddol] yn mynd”.*⁷

8.4 Mae Brexit, tynnu'r ESIFs yn ôl a'r newid i'w disodli wedi gorfodi'r sector gwirfoddol i ail-werthuso ei berthynas â Llywodraeth y DU. Dros yr 20 mlynedd diwethaf, mae llawer o bwyntiau dylanwad y sector wedi canolbwyntio ar Lywodraeth Cymru a'r Comisiwn Ewropeaidd. Trwy egwyddor y bartneriaeth, mae'r sector gwirfoddol wedi bod yn bartner gweithredol, cyfartal wrth ddylunio, darparu a rheoli'r ESIFs yng Nghymru. Mae'r pwerau cymorth ariannol o fewn Deddf Marchnad Fewnol y DU yn cael effaith sylweddol ar Gymru ac, mewn sawl ffordd, mae wedi ein cludo yn ôl i ddyddiau cyn datganoli. Fel sector mae angen i ni ailadeiladu ac ailffocysu ein hymgysylltiad a'n dylanwad, er mwyn sicrhau cyfranogiad y sector gwirfoddol yn y rhaglenni newydd.

⁶ Llywodraeth Cymru a WCVA. (2019) *Grymuso Cymunedau yng Nghyd-destun Brexit: Canfyddiadau ymchwil, dadansoddiad ac argymhellion ar gyfer cefnogaeth i sefydliadau trydydd sector yng Nghymru*. Ar gael: <https://wcva.cymru/wp-content/uploads/2020/04/Empowering-Communities-Brexit-Final-report.pdf>

⁷ Ibid.

9. Mae'r hyn a nodwyd yn ail-fwyaf o ran effaith gan sefydliadau yn ein hymgysylltiad cynnar ar ôl pontio yn ymwneud â chyfres o effeithiau sy'n deillio o golli rhyddid i symud.

9.1 Mae rhanddeiliaid yn ystyried anghenion tymor hir dinasyddion yr UE yng Nghymru nawr bod y dyddiad cau ar gyfer EUSS wedi bod. Ar hyn o bryd mae Llywodraethau Cymru a'r DU yn ariannu sefydliadau i ddarparu cefnogaeth. Fodd bynnag, nid yw'n eglur pa mor hir y bydd hyn yn para a bydd angen cefnogaeth ar y bobl fwyaf agored i niwed yn y blynyddoedd i ddod. Disgwylir i anghenion pellach ddod i'r amlwg maes o law gan fod yn rhaid i ddinasyddion yr UE ddangos rheswm dilys dros golli'r dyddiad cau a bydd y rhai sydd wedi sicrhau statws wedi'u setlo o flaen llaw yn wynebu terfynau amser personol i drosglwyddo drosodd i statws cwbl sefydlog.

9.2 Yn gyffredinol, amlygwyd symudedd fel pryder sylweddol i'r sector Celfyddydau a Diwylliant sy'n wynebu baich triphlyg mentrau cydweithredu trawsffiniol llai (Ewrop Greadigol), colli cronfeydd strwythurol yr UE a rhwystrau newydd sylweddol i symudedd rhyngwladol. Mae hyn hefyd yn bryder i sefydliadau pobl anabl,⁸ sydd wedi tynnu sylw at heriau i'r sector gofal cymdeithasol a recriwtio cynorthwyr personol Ewropeaidd oherwydd rheolau mewnfudo newydd. Mae goblygiadau pellach ar gyfer dyfodol gwirfoddoli rhyngwladol yng Nghymru sydd bellach yn wynebu gwactod cyllido o ganlyniad i dynnu'r DU allan o'r Corfflu Undod Ewropeaidd. Mae risg sylweddol y bydd rhwystrau a chostau cynyddol (megis fisâu, y gordal gofal iechyd, gofynion pasbort ar gyfer dinasyddion yr UE sy'n dymuno gwirfoddoli yng Nghymru, cyfieithu dogfennau ar gyfer y broses fisa) yn atal pobl ifanc o gefndiroedd difreintiedig rhag gallu cael mynediad i'r cyfleoedd hyn.

9.3 Amlygwyd gofynion newydd ar deithio Ewropeaidd i ni hefyd fel rhai sy'n cael effaith anghymesur ar rai grwpiau, yn enwedig pobl sy'n teithio gydag anabledau. Er enghraifft, mae'r dirwedd ar gyfer defnyddio bathodynau glas y DU yn yr UE yn wahanol,⁹ ac mae Guide Dogs UK wedi tynnu sylw at gostau uwch o fynd â chŵn cymorth dramor.¹⁰

10. Y pryder trydydd fwyaf cyffredin sy'n gysylltiedig â Brexit i ni yn ein hymgysylltiad â'r sector yw awydd i ddyfnhau ac adeiladu cysylltiadau rhyngwladol newydd (gan gynnwys er enghraifft cryfhau cyfranogiad Cymru yng Nghyngor Ewrop) ac i'r sector gael cefnogaeth iddo archwilio cyfleoedd ar gyfer cydweithredu trawsffiniol a thrawswladol gyda'r UE ac yn fyd-eang.

10.1 Mae'r diffyg adnoddau a gallu yn rhwystr sylweddol i lawer yn y maes hwn. Mae gallu wedi dod yn fwy cyfyngedig fyth oherwydd y pandemig sydd wedi rhoi pwysau enfawr ar sefydliadau gwirfoddol i ateb y galw cynyddol ar eu gwasanaethau wrth ymdrechu gyda chynaliadwyedd ariannol. Bydd colli rhaglenni'r UE sy'n meithrin cydweithredu

⁸ <https://dpac.uk.net/2021/01/pas-and-care-workers-in-uk-after-brexit-please-sign-our-letter/>

⁹ <https://www.gov.uk/government/publications/blue-badge-using-it-in-the-eu/using-a-blue-badge-in-the-european-union>

¹⁰ https://e-activist.com/page/73938/action/1?ea.tracking.id=website&_ga=2.53875048.1750904895.1629994417-558010977.1628608772

trawsffiniol a rhyngwladol (e.e. Interreg, Erasmus+, Corfflu Undod Ewropeaidd) y mae'r sector wedi bod yn ymwneud ag ef, yn ychwanegu rhwystrau pellach.

- 10.2 Yn ogystal â'r cyfranogiad mewn rhaglenni cydweithredu tiriogaethol, mae'r sector gwirfoddol hefyd wedi chwarae rhan weithredol yn Erasmus+ a rhaglen Corfflu Undod Ewrop. Er bod Llywodraeth y DU wedi lansio'r Cynllun Turing i ddisodli Erasmus+, mae cyfranogiad yn y rhaglen newydd hon wedi'i gyfyngu i symudedd myfyrwyr, ac eithrio cyfnewidiadau staff a chyfleoedd gwirfoddoli rhyngwladol. Mae gweithgareddau o dan ddwy llinyn arall o Erasmus + hefyd wedi'u hepgor o'r Cynllun Turing: prosiectau partneriaeth strategol sy'n galluogi sefydliadau i gydweithredu â phartneriaid rhyngwladol i feithrin arloesedd a chyfnewid arferion da (prosiectau Erasmus+ Gweithred Allweddol 2) a gweithgareddau strategol sy'n cefnogi diwygio polisi ledled yr UE o fewn addysg, hyfforddiant ac ieuencid (prosiectau Erasmus+ Gweithred Allweddol 3).
11. Yn olaf, mae sefydliadau hefyd wedi tynnu sylw at gwestiynau ynghylch newidiadau posibl ar ôl Brexit i'r drefn TAW a newidiadau parhaus i gaffael. Yn yr achos olaf, ystyrir bod y dirwedd yn fwyfwy cymhleth oherwydd rheolau TCA newydd, yn ogystal â diwygiadau ar lefelau'r DU a Chymru a fframwaith cyffredin newydd. Mae cwestiynau hefyd yn cael eu codi mewn perthynas â newidiadau posib ehangach i fframwaith Hawliau Dynol y DU, yn ogystal â safonau llafur ac amgylcheddol.

Pa gymorth ydych chi wedi'i gael i ymateb i'r newidiadau?

Cefnogaeth gan Lywodraeth Cymru

1. Mae Llywodraeth Cymru wedi cefnogi'r sector gydag ymgysylltiad rheolaidd sydd:
 - 1.1 wedi helpu i lywio ein datblygiad o wybodaeth ar gyfer y sector trwy gydol y broses Brexit
 - 1.2 wedi hwyluso cydlynu yn benodol o amgylch Cynllun Preswyllo'n Sefydlog yr UE
 - 1.3 a'n galluogi i helpu i dargedu'r gefnogaeth ariannol y mae Llywodraeth Cymru hefyd wedi'i darparu i'r sector trwy Gronfa Drosglwyddo'r UE.
2. Cafodd WCVA gyllid gan Gronfa Bontio'r UE Llywodraeth Cymru ar gyfer Grymuso Cymunedau yng nghyd-destun prosiect Brexit. Fe wnaeth yr arian alluogi WCVA i wneud ymchwil ar effeithiau colli'r ESIFs a'r effaith y gallai hyn ei chael ar gynaliadwyedd a darpariaeth sector gwirfoddol Cymru.
3. Ariannodd y prosiect hefyd ymweliad rhwydweithio â Brwsel ar gyfer grŵp o gynrychiolwyr y sector gwirfoddol, gyda'r nod o archwilio sut y gall sector gwirfoddol Cymru ddatblygu a chryfhau ei gysylltiadau â phartneriaid Ewropeaidd ar ôl Brexit. Yn ystod yr ymweliad bu'r ddirprwyaeth yn cynnal sgysiau ar ystod eang o faterion gydag amryw o sefydliadau, rhwydweithiau a sefydliadau Ewropeaidd.

4. Derbyniodd WCVA hefyd £430k gan Gronfa Drosoglwyddo'r UE i gefnogi datblygiad cychwynnol ac uwchraddio Hwb Gwybodaeth Cymorth Trydydd Sector Cymru (TSSW) wedi hynny. Mae'r Hub yn fanc adnoddau ledled Cymru gyda gwybodaeth, arweiniad, rhwydweithio a dysgu, sy'n galluogi'r sector gwirfoddol i dyfu, adeiladu gwytnwch a gwella eu heffaith mewn cymunedau, gan greu etifeddiaeth hirdymor ar ôl Brexit.
5. Derbyniodd Anabled Cymru mewn partneriaeth â WCVA's a Phrosiect Fforwm Brexit WGC gyllid o £72k gan Gronfa Drosoglwyddo'r UE i helpu pobl anabl i baratoi ar gyfer goblygiadau Brexit ar eu bywydau, trwy ddarparu cyfleoedd ymgysylltu hygyrch, gwybodaeth a deunydd cyfeirio. Hefyd, darparodd Llywodraeth Cymru gyllid i Wales Arts International ar gyfer ei phrosiect Infopoint UK y gwnaethom gefnogi ei sefydlu.¹¹ Nod y prosiect hwn yw gwella symudedd artistiaid yn y dirwedd ôl-Brexit.

Cefnogaeth gan Lywodraeth y DU

6. Ar wahân i'r datganiad yn cadarnhau parhad gweithrediadau a gymeradwywyd o dan y rhaglenni Cronfeydd Strwythurol a Buddsoddi Ewropeaidd, ychydig iawn o wybodaeth a gynigiodd Llywodraeth y DU i ddechrau am yr hyn a allai ddod nesaf. Roedd y diffyg tryloywder hwn yn golygu anallu i gynllunio o flaen llaw ac mae wedi gadael llawer o sefydliadau gwirfoddol yn barod i ddelio â diwedd yr ESIFs.
7. Er, hyd eithaf ein gwybodaeth, cymerodd Llywodraeth y DU ei dull o gynllunio a datblygu ei pholisïau cyllido newydd yn 'fewnol', ymgynghorodd Llywodraeth Cymru yn agored ar ei Fframwaith Buddsoddi Rhanbarthol a sefydlu grwpiau llywio traws-sector i arwain y datblygu ei bolisïau cyllido newydd.
8. Dros y misoedd diwethaf, gyda rhyddhau ei Chronfeydd Codi'r Gwastad, Adfywio Cymunedol a Perchnogeth Cymunedol, mae ymgysylltiad Llywodraeth y DU â'r sector wedi gwella rhywfaint. Er enghraifft, gwnaethom ofyn yn ddiweddar i Lywodraeth y DU gyflwyno sesiwn yn benodol ar gyfer sector gwirfoddol Cymru ar y Gronfa Perchnogaeth Gymunedol mewn partneriaeth â WCVA - gan hysbysu grwpiau o'r cyfle, y broses ymgeisio a gyda chyfle i fynd i'r afael â chwestiynau'r sector - ymatebodd Llywodraeth y DU yn gyflym ac yn gadarnhaol i'r cais hwn. Mae angen mwy o weithio cydweithredol yn y modd hwn.
9. Rydym yn rhagweld y bydd yr ymgysylltiad gwell hwn yn parhau, ar ôl sefydlu cyd-dîm MHCLG a BEIS Cymru yn ddiweddar. Hyd yn hyn, mae'r tîm hwn wedi bod yn hygyrch ac yn barod i ymgysylltu â'r sector gwirfoddol. Er ein bod yn ymwybodol o faint y tîm hwn a'r cyfyngiadau y gallai hyn eu cyflwyno.

¹¹ Gweler gwefan Wales Arts International am ragor o wybodaeth: <https://wai.org.uk/news-jobs-opportunities/arts-infopoint-uk>

Pa gefnogaeth bellach, os o gwbl, sydd ei hangen gan Lywodraethau Cymru a'r DU?

1. Bydd yr ymgysylltiad rheolaidd hwn yr ydym wedi'i gael â Llywodraeth Cymru trwy gydol y broses Brexit yn hanfodol i gefnogi'r sector gwirfoddol i lywio'r newidiadau gweinyddol, cyfreithiol a chyfansoddiadol sy'n deillio o Brexit wrth iddynt ddechrau siapio. Mae hyn yn arbennig o wir wrth ystyried bod llawer o strwythurau llywodraethu newydd ynghlwm â'r TCA a fydd yn elwa o fewnbwn datganoledig gan Lywodraeth Cymru a'r sector gwirfoddol. Credwn y bydd lefel uchel o gydlynu trafodaethau ynghylch effeithiau parhaus perthynas y DU/UE rhwng y sector a Llywodraeth Cymru yn hwyluso'r mewnbwn hwn ar lefel y DU.
2. Gyda'r cronfeydd newydd yn gweithredu ledled y DU gan ddefnyddio'r pwerau cymorth ariannol yn Neddf Marchnad Fewnol y DU, rydym yn ymwybodol bod rôl Llywodraeth Cymru wrth lunio'r cronfeydd hyn, er budd y sector yng Nghymru, yn gyfyngedig.
3. Bydd holl waith ESIF yn dod i ben yn 2023, heb unrhyw ffrwd ariannu tebyg i'w ddisodli. Bydd yn gadael tyllau sylweddol yng nghyllidebau Llywodraeth Cymru ac yn anochel yn achosi i'r sector gwirfoddol golli gallu ac arbenigedd. Bydd angen i Lywodraeth Cymru wneud penderfyniadau anodd ynghylch gwasanaethau yn y dyfodol a rhaid i'r sector gwirfoddol gymryd rhan yn y trafodaethau hyn, fel y sector agosaf at unigolion a chymunedau mwyaf difreintiedig Cymru. Rhaid i Lywodraeth Cymru a'r sector gwirfoddol weithio mewn partneriaeth i sicrhau nad yw'r gwasanaethau hynny a ariennir gan yr ESIFs yn dod i ben yn 2023 yn unig, gan adael y rhai sydd eisoes yn agored i niwed heb achubiaeth.
4. Mae adrannau gweinidogol yn Llywodraeth y DU yn annog rhanddeiliaid i awgrymu argymhellion i wella rowndiau cyllido'r Cronfeydd Perchnogaeth Gymunedol a Chodi'r Gwastad a'r Gronfa Ffyniant Gyffedin. Mae WCVA wedi cyflwyno adborth ffurfiol ac anffurfiol, yn dilyn ymgynghori helaeth â'r sector gwirfoddol yng Nghymru. Rhaid gwrandao ar yr argymhellion a awgrymir a gweithredu arnynt. Awgrymiadau yw'r rhain a lywiwyd gan flynyddoedd lawer o ddarparu Llywodraethau Ewropeaidd, y DU a Chymru a nifer o brosiectau a gwasanaethau darparwyr cyllid eraill. Bydd yr egwyddorion a amlinellir yn galluogi'r sector i gael mynediad i'r ffrydiau cyllido a sicrhau canlyniadau effeithiol er budd ein cymunedau. Ni ellir cyflawni uchelgais lefelu'r agenda heb gyfranogiad llawn gan y sector gwirfoddol.

Eitem 9

MEMORANDWM CYDSYNIAD DEDDFWRIAETHOL

BIL Y LLUOEDD ARFOG

1. Gosodir y memorandwm cydsyniad deddfwriaethol hwn o dan Reol Sefydlog (“RhS”) 29.2. Mae RhS 29 yn rhagnodi bod rhaid gosod memorandwm cydsyniad deddfwriaethol, ac y ceir cyflwyno cynnig cydsyniad deddfwriaethol, gerbron Senedd Cymru os yw Bil gan Senedd y DU yn gwneud darpariaeth mewn cysylltiad â Chymru at unrhyw bwrpas sy’n dod o fewn cymhwysedd deddfwriaethol Senedd Cymru, neu sy’n addasu’r cymhwysedd hwnnw.
2. Cyflwynwyd Bil y Lluoedd Arfog (“y Bil”) yn Nhŷ'r Cyffredin ar 26 Ionawr 2021 a'i ailgyflwyno ar 12 Mai yn dilyn ystyriaeth gan y Pwyllgor Dethol. Gellir cael copi o'r Bil yn:
[Bil y Lluoedd Arfog 2019-21 — Senedd y DU](#)

Amcanion Polisi

3. Yr amcanion polisi a nodwyd gan Lywodraeth y DU yw:
 - Adnewyddu Deddf y Lluoedd Arfog 2006 (“Deddf 2006”) ac, wrth wneud hynny, parhau i orfodi'r ddeddfwriaeth sylfaenol sy'n llywodraethu'r Lluoedd Arfog;
 - Cynnal effeithiolrwydd system gyfiawnder y gwasanaethau fel ei bod yn parhau i ddiwallu anghenion y Lluoedd Arfog;
 - Ymgorffori Cyfamod y Lluoedd Arfog ymhellach yn gyfraith.

Crynodeb o'r Bil

4. Noddir y Bil gan y Weinyddiaeth Amddiffyn (MOD).
5. Mae'r Bil yn gwneud darpariaethau mewn perthynas â'r materion canlynol:
 - Parhad Deddf 2006;
 - Llysoedd gwasanaeth, gwrandawiaid diannod ac awdurdodaeth;
 - Gwasanaeth yn y Lluoedd Arfog;
 - Heddlu'r gwasanaeth: cwynion, camymddwyn etc;
 - Dedfrydu ac adsefydlu;
 - Pardynau ar ôl marwolaeth.

Darpariaethau yn y Bil y mae angen cydsyniad ar eu cyfer

6. Mae angen cydsyniad Senedd Cymru ar gyfer y darpariaethau sy'n ymwneud â Chyfamod y Lluoedd Arfog (Cymal 8 yn y Bil fel y'i cyflwynwyd).
7. Enw cymal 8 o'r Bil yw Cyfamod y Lluoedd Arfog ("Armed Forces Covenant"). Mae'r cymal hwn yn mewnosod adrannau 343AA i 343AF newydd i Ran 16A o Ddeddf y Lluoedd Arfog 2006, sy'n gosod dyletswydd ar gyrff penodedig a phersonau sy'n arfer swyddogaethau tai, addysg a gofal iechyd perthnasol yng Nghymru, Lloegr, yr Alban a Gogledd Iwerddon i roi sylw dyledus i Gyfamod y Lluoedd Arfog.
8. Mae'r adrannau a fewnosodir gan Gymal 8 o'r Bil, i'r graddau y maent yn gymwys i Gymru, fel a ganlyn:
 - a. Mae **adran 343AB(1)** yn gosod dyletswydd ar bersonau a chyrrff penodedig yng Nghymru sy'n arfer swyddogaeth berthnasol i roi sylw dyledus ("due regard") i egwyddorion Cyfamod y Lluoedd Arfog, sef:
 - y rhwymedigaethau a'r aberth unigryw a wneir gan y Lluoedd Arfog;
 - yr egwyddor ei bod yn ddymunol dileu anfanteision o Wasanaeth yn y Lluoedd Arfog, neu gyn Wasanaeth yn y Lluoedd Arfog a
 - yr egwyddor y gellir cyfiawnhau darpariaeth arbennig oherwydd yr effaith y gallai Gwasanaeth yn y Lluoedd fod wedi'i chael ar unigolion.
 - b. Mae **adran 343AB(2)** yn diffinio swyddogaeth berthnasol ("relevant function") fel swyddogaeth tai, addysg a gofal iechyd berthnasol. Mae'r rhain yn feysydd polisi sydd wedi'u datganoli ac, o ganlyniad, mae'r darpariaethau sy'n gysylltiedig â hwy o fewn cymhwysedd deddfwriaethol Senedd Cymru.
 - c. Mae **adran 343AB(3)** yn nodi'r cyrff cyhoeddus yng Nghymru y bydd y ddyletswydd sylw dyledus yn gymwys iddynt. Mae'r rhain fel a ganlyn:
 - Awdurdodau Lleol
 - Cyrff llywodraethu ysgolion a gynhelir
 - Byrddau Iechyd Lleol
 - Awdurdodau Iechyd Arbennig
 - Ymddiriedolaethau'r GIG
 - d. Mae **adrannau 343AB(4) i (6)** yn nodi ystyr swyddogaethau tai, addysg a gofal iechyd perthnasol gan gyfeirio at deddfwriaeth berthnasol.
 - e. Mae **Adran 343AE** yn disgrifio sut y bydd canllawiau sy'n cefnogi'r deddfwriaeth yn gweithio. Caiff yr Ysgrifennydd Gwladol gyhoeddi canllawiau mewn perthynas â'r ddyletswydd sylw dyledus a rhaid i'r cyrff cyhoeddus perthnasol roi sylw i'r canllawiau hynny. Rhaid i'r Ysgrifennydd Gwladol ymgynghori â Gweinidogion Cymru cyn cyhoeddi canllawiau i'r graddau y mae'r canllawiau'n ymwneud â

swyddogaethau datganoledig Cymru (h.y. swyddogaethau gweithredol a'r rhai sydd o fewn cymhwysedd deddfwriaethol Senedd Cymru). Fodd bynnag, os yw'r Ysgrifennydd Gwladol o'r farn bod y diwygiadau i'r canllawiau yn ansylweddol, mae gan yr Ysgrifennydd Gwladol y pŵer i gyhoeddi canllawiau diwygiedig heb ymgynghori â Gweinidogion Cymru i ddechrau.

- f. Mae **adran 343AF** yn rhoi pŵer i'r Ysgrifennydd Gwladol wneud rheoliadau i estyn y ddyletswydd sylw dyledus i bersonau a chyrrff ychwanegol yng Nghymru, neu i bennu swyddogaethau perthnasol ychwanegol sydd i ddod o fewn cwrpas y ddyletswydd. Fodd bynnag, cyn gwneud hynny, rhaid i'r Ysgrifennydd Gwladol ymgynghori â Gweinidogion Cymru, i'r graddau bod y rheoliadau'n cynnwys darpariaethau sydd o fewn cymhwysedd datganoledig Cymru ("Welsh devolved competence"). Diffinnir hyn fel darpariaeth a fyddai'n dod o fewn cymhwysedd deddfwriaethol Senedd Cymru neu'n un y gellid ei gwneud mewn is-ddeddfwriaeth gan Weinidogion Cymru sy'n gweithredu ar eu pennau eu hunain. Bydd y rheoliadau'n ddarostyngedig i'r weithdrefn gadarnhaol.
9. Mae'n ofynnol i gael cydsyniad ar gyfer y darpariaethau hyn oherwydd bod eu diben yn ymwneud â'r modd y mae gwasanaethau cyhoeddus Cymru yn cyflawni eu swyddogaethau. Maent yn gosod swyddogaethau ar nifer o Awdurdodau Datganoledig Cymru ac maent yn rhoi sylw i faterion datganoledig ac yn effeithio arnynt (h.y. swyddogaethau cyrff cyhoeddus sy'n arfer swyddogaethau datganoledig ym meysydd datganoledig tai, addysg a gofal iechyd). At hynny, gallai pŵer yr Ysgrifennydd Gwladol i wneud rheoliadau yn Adran 343AF arwain at roi'r ddyletswydd sylw dyledus mewn meysydd mwy datganoledig, neu i Awdurdodau Datganoledig eraill yng Nghymru. Yn unol â hynny, mae gan y pŵer hwn botensial i effeithio ar fwy o feysydd datganoledig.
10. Yn y Bil fel y'i gyflwynwyd ar 26 Ionawr 2021, nododd Llywodraeth y DU yn y Nodiadau Esboniadol a gyhoeddwyd ar gyfer y Bil eu bod o'r farn bod Cymal 8 yn dod o fewn cymhwysedd deddfwriaethol Senedd Cymru, ac y byddent felly'n ceisio cynnig cydsyniad deddfwriaethol mewn perthynas â'r Cymal hwn. Fodd bynnag, mae safbwynt Llywodraeth y DU wedi newid erbyn hyn ac nid ydynt yn ystyried mwyach fod unrhyw gymal yn y Bil o fewn cymhwysedd deddfwriaethol Senedd Cymru. Diwygiwyd y Nodiadau Esboniadol fel y cawsant eu hailgyflwyno ar 12 Mai ac maent yn awr yn cadarnhau'r newid yn asesiad Llywodraeth y DU:

"In the view of the Government, none of the matters to which the Bill relates are within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly".

Rhesymau dros wneud y darpariaethau hyn i Gymru yn y Bil

11. Bydd y darpariaethau a fewnosodir gan Gymal 8 o'r Bil yn helpu i wella'r modd y darperir gwasanaethau cyhoeddus yn gyffredinol mewn perthynas

â Chymuned y Lluoedd Arfog yng Nghymru. Mae'r Cyfamod, ar ei ffurf bresennol, wedi bod ar waith ers bron i ddeng mlynedd, ac er bod darparwyr gwasanaethau wedi rhoi gweithdrefnau a mentrau da ar waith, mae pryder dilys bod rhai aelodau o Gymuned y Lluoedd Arfog yn dal i wynebu anfantais o ran cael gafael ar wasanaethau cyhoeddus. Achosir hyn yn aml gan ddiffyg ymwybyddiaeth o'r Cyfamod a natur unigryw gwasanaeth yn y Lluoedd Arfog.

12. Dylai'r darpariaethau gynyddu ymwybyddiaeth ymhlith darparwyr gwasanaethau a llunwyr polisi o'r rhwymedigaethau a'r amgylchiadau unigryw sy'n wynebu Cymuned y Lluoedd Arfog, a meithrin dealltwriaeth o sut y gall y rhain effeithio ar eu gofynion, a'u gallu i gael gafael ar wasanaethau cyhoeddus allweddol.
13. Drwy ymgorffori'r ddealltwriaeth hon ym mhenderfyniadau'r sector cyhoeddus drwy ddyletswydd statudol newydd i roi sylw dyledus i'r Cyfamod, bydd y ddeddfwriaeth hon yn helpu i wella'r modd y darperir gwasanaethau cyhoeddus yn gyffredinol mewn perthynas â Chymuned y Lluoedd Arfog yng Nghymru.
14. Bydd y darpariaethau a fewnosodir gan Gymal 8 o'r Bil yn effeithio ar ddarparu gwasanaethau cyhoeddus ym meysydd datganoledig tai, addysg a gofal iechyd yng Nghymru.
15. Felly, mae'n rhesymol defnyddio Bil y DU i wneud y darpariaethau hyn, gan sicrhau lefel o gysondeb ledled y DU o ran gweithredu'r Cyfamod, tra'n parhau i ganiatáu i wasanaethau a darpariaeth ddatganoledig weithredu polisi ychwanegol i gefnogi cymuned y Lluoedd Arfog.

Goblygiadau ariannol

16. Nid oes unrhyw oblygiadau ariannol i Gymru mewn perthynas â Bil Lluoedd Arfog Llywodraeth y DU.

Casgliad

17. Rwy'n argymhell bod Senedd Cymru yn cydsynio â chynnwys Cymal 8 ym Mil y Lluoedd Arfog gan Lywodraeth y DU. Yn fy marn i, mae'n briodol ymdrin â'r darpariaethau hyn yn y Bil hwn ar gyfer y DU oherwydd:
 - Bydd yn gwella'r modd y darperir gwasanaethau cyhoeddus yn gyffredinol mewn perthynas â Chymuned y Lluoedd Arfog yng Nghymru a ledled y DU.
 - Bydd yn caniatáu i ddarpariaethau ddod i rym ar yr un pryd ledled y DU.
 - Bil ar gyfer y DU gyfan yw'r cyfrwng deddfwriaethol mwyaf effeithiol a chymesur ar gyfer codi ymwybyddiaeth ymhlith darparwyr gwasanaethau a llunwyr polisi o'r rhwymedigaethau a'r amgylchiadau unigryw sy'n wynebu Cymuned y Lluoedd Arfog.

- Bydd yn meithrin dealltwriaeth o sut y gall yr amgylchiadau sy'n wynebu cymuned y Lluoedd Arfog effeithio ar eu gofynion o ran gwasanaethau cyhoeddus allweddol a'u gallu i gael gafael arnynt.
- Mae'r darpariaethau'n ymdrin â materion datganoledig yn ogystal â materion nad ydynt wedi'u datganoli.

Hannah Blythyn AS
Y Dirprwy Weinidog Partneriaeth Gymdeithasol
Mai 2021

**MEMORANDWM CYDSYNIAD DEDDFWRIAETHOL
(MEMORANDWM RHIF 2)**

BIL Y LLUOEDD ARFOG

1. Gosodir y memorandwm cydsyniad deddfwriaethol hwn o dan Reol Sefydlog (“RhS”) 29.2. Mae RhS 29 yn rhagnodi bod rhaid gosod memorandwm cydsyniad deddfwriaethol, ac y ceir cyflwyno cynnig cydsyniad deddfwriaethol, gerbron Senedd Cymru os yw Bil yn Senedd y DU yn gwneud darpariaeth mewn cysylltiad â Chymru at unrhyw bwrpas sy'n dod o fewn cymhwysedd deddfwriaethol Senedd Cymru, neu sy'n addasu'r cymhwysedd hwnnw.
2. Cyflwynwyd Bil y Lluoedd Arfog (“y Bil”) yn Nhŷ'r Cyffredin ar 26 Ionawr 2021. Gwnaed y Bil a oedd yn destun cynnig cario drosodd ar 8 Chwefror ac fe'i hailgyflwynwyd ar 12 Mai. Ar 16 Mehefin cyflwynodd Llywodraeth y DU gyfanswm o dri deg un o welliannau ac mae dau ohonynt yn gwneud darpariaeth sy'n dod o fewn cymhwysedd deddfwriaethol y Senedd (Adran 13 isod). Cynhaliwyd Cam Pwyllgor Tŷ'r Cyffredin ar 23 Mehefin 2021. Mae'r Bil i'w weld yn:
[Bil y Lluoedd Arfog — Biliau Seneddol - Senedd y DU](#)

Amcanion Polisi

3. Yr amcanion polisi a nodwyd gan Lywodraeth y DU yw:
 - Adnewyddu Deddf y Lluoedd Arfog 2006 (“Deddf 2006”) ac, wrth wneud hynny, parhau i orfodi'r ddeddfwriaeth sylfaenol sy'n llywodraethu'r Lluoedd Arfog;
 - Cynnal effeithiolrwydd system gyfiawnder y gwasanaethau fel ei bod yn parhau i ddiwallu anghenion y Lluoedd Arfog;
 - Ymgorffori Cyfamod y Lluoedd Arfog ymhellach yn gyfraith.

Crynodeb o'r Bil

4. Noddir y Bil gan y Weinyddiaeth Amddiffyn (MOD).
5. Mae'r Bil yn gwneud darpariaethau mewn perthynas â'r materion canlynol:
 - Parhad Deddf 2006;
 - Llysoedd gwasanaeth, gwrandawiadau diannod ac awdurdodaeth;
 - Gwasanaeth yn y Lluoedd Arfog;
 - Heddlu'r gwasanaeth: cwynion, camymddwyn etc;
 - Dedfrydu ac adsefydlu;
 - Pardynau ar ôl marwolaeth.

Yr wybodaeth ddiweddaraf ar y sefyllfa ers cyhoeddi'r Memorandwm Cydsyniad Deddfwriaethol cyntaf

6. Gosododd Llywodraeth Cymru Femoranda Cydsyniad Deddfwriaethol ar 18 Chwefror 2021, yn seiliedig ar y Bil fel y'i cyflwynwyd gerbron Senedd y DU ar 26 Ionawr 2021. Yn dilyn etholiadau'r Senedd yn 2021 ac ailgyflwyno'r Bil ar 12 Mai ar ôl i'r sesiwn Seneddol newydd ddechrau, gosodwyd Memorandwm Cydsyniad Deddfwriaethol newydd gan y Dirprwy Weinidog Partneriaeth Gymdeithasol ar 28 Mai.
7. Cadarnhaodd y memoranda fod Llywodraeth Cymru yn cefnogi'r Bil fel y'i cyflwynwyd.
8. Gofynnodd Llywodraeth Cymru am welliannau i'r Bil er mwyn sicrhau bod y cyrff iechyd a fydd yn ddarostyngedig i'r ddyletswydd sylw dyledus yng Nghymru yn adlewyrchu'r bwriad polisi. Felly, rydym yn croesawu cynnwys Gwelliannau 1 a 2 sy'n mynd i'r afael â'r materion hyn ac yn sicrhau dull polisi cyson.
9. Byddai'r drafft blaenorol yn cymhwyso'r ddyletswydd sylw dyledus i'r awdurdodau iechyd arbennig hynny sydd wedi'u sefydlu o dan adran 22 o Ddeddf GIG (Cymru) 2006. Byddai hyn yn cynnwys Awdurdod Gwasanaethau Busnes y GIG a Gwaed a Thrawsblaniadau'r GIG a sefydlwyd mewn perthynas â Chymru o dan yr adran honno, ond sy'n gyrff i Gymru a Lloegr, ar ôl cael eu sefydlu ar y cyd â'r Ysgrifennydd Gwladol wrth arfer ei bwerau cyfatebol.
10. Ein safbwynt polisi yw mai dim ond awdurdodau iechyd arbennig a sefydlwyd gan Weinidogion Cymru ac sy'n arfer swyddogaethau yng Nghymru yn unig (h.y. Addysg a Gwella Iechyd Cymru ac Iechyd a Gofal Digidol Cymru) y dylid eu cynnwys yn y ddyletswydd. Ni fwriedir i unrhyw awdurdodau iechyd arbennig sydd wedi'u sefydlu ar y cyd - gan gynnwys Awdurdod Gwasanaethau Busnes y GIG a Gwaed a Thrawsblaniadau'r GIG fod o fewn cwmpas y ddyletswydd.
11. Deallwn mai'r bwriad polisi yn Lloegr yw peidio â chynnwys unrhyw awdurdodau iechyd arbennig o fewn cwmpas y ddyletswydd, gan gynnwys y rhai sydd wedi'u sefydlu ar y cyd â Gweinidogion Cymru. Mae darpariaethau'r Bil sy'n ymwneud â'r ddyletswydd fel y bydd yn gymwys yn Lloegr yn adlewyrchu hyn.
12. Er mwyn sicrhau nad yw'r awdurdodau iechyd arbennig hynny sydd wedi'u sefydlu ar y cyd yn dod o fewn cwmpas y ddyletswydd mewn perthynas â Chymru, cytunwyd ar y diwygiadau technegol a amlinellir isod gyda Llywodraeth y DU. Effaith y diwygiadau yw bod awdurdodau iechyd arbennig a sefydlwyd o dan adran 22 o Ddeddf GIG (Cymru) 2006 yn parhau i fod yn ddarostyngedig i'r ddyletswydd sylw dyledus yng Nghymru, ac eithrio awdurdodau iechyd arbennig "trawsffiniol" – h.y. y rhai a

sefydlwyd gan Weinidogion Cymru o dan y ddarpariaeth honno ar y cyd â'r Ysgrifennydd Gwladol wrth arfer pwerau statudol cyfatebol.

Newidiadau i'r Bil ers cyhoeddi'r Memorandwm Cydsyniad Deddfwriaethol cyntaf y mae angen cydsyniad ar eu cyfer

13. Mae'r gwelliannau canlynol sy'n gwneud darpariaeth mewn perthynas â Chymru ac sydd o fewn cymhwysedd deddfwriaethol y Senedd wedi'u gwneud i'r Bil yn ystod cam Pwyllgor Tŷ'r Cyffredin:

- **“Amendment 1 - Clause 8, page 11, line 23, at end insert “other than a cross-border Special Health Authority”**

This amendment and amendment 2 exclude cross-border Special Health Authorities from the scope of section 343AB of the Armed Forces Act 2006.

- **Amendment 2 - Clause 8, page 12, line 10, at end insert—**

““cross-border Special Health Authority” means a Special Health Authority which is established under the National Health Service Act 2006 and the National Health Service (Wales) Act 2006 by virtue of—

(a) paragraph 1(2) of Schedule 2 to the National Health Service (Consequential Provisions) Act 2006, or

(b) the power under section 28 of the National Health Service Act 2006 and the power under section 22 of the National Health Service (Wales) Act 2006 being exercised together;”

This amendment and amendment 1 exclude cross-border Special Health Authorities from the scope of section 343AB of the Armed Forces Act 2006.”

Cytunwyd ar y gwelliannau hyn ac maent bellach yn rhan o'r Bil.

Safbwynt Llywodraeth Cymru ar y Bil fel y'i diwygiwyd

14. Mae Llywodraeth Cymru yn cydnabod yr holl welliannau a osodwyd yn ystod cam Pwyllgor Tŷ'r Cyffredin.

15. Gofynnais am welliannau 1 a 2 er mwyn sicrhau bod y cyrff iechyd a fydd yn ddarostyngedig i'r ddyletswydd sylw dyledus yng Nghymru yn adlewyrchu'r bwriad polisi fel yr amlinellir uchod.

16. Yn ogystal, ysgrifennais at y Gweinidog Amddiffyn Pobl a Chyn-filwyr yn gofyn am welliant a fyddai'n ei gwneud yn ofynnol i'r Ysgrifennydd Gwladol dros Amddiffyn gael **cydsyniad** Gweinidogion Cymru cyn gwneud unrhyw newidiadau i gwmpas y cyrff neu'r swyddogaethau sy'n ddarostyngedig i'r ddyletswydd sylw dyledus. Mae Llywodraeth y DU wedi gwrthod y cais hwnnw ar y sail bod ymrwymiad presennol i **ymgyngori** ar unrhyw

newidiadau i ehangu cwmpas y ddyletswydd sylw dyledus i gynnwys cyrff a swyddogaethau eraill yn y dyfodol. Mae Llywodraeth y DU hefyd yn datgan 'na fyddai unrhyw newidiadau o'r fath yn digwydd ond lle mae budd o wneud hynny ar ôl ymgynghori â rhanddeiliaid allweddol, fel Llywodraeth Cymru, ac ar ôl i'r broses Seneddol briodol gael ei chynnal'.

17. Mae'r gwelliannau sy'n weddill yn ymwneud â meysydd y tu allan i gymhwysedd datganoledig y Senedd megis gweithredu'r Cyngor Amddiffyn, Ombwdsmon Cwynion Gwasanaeth a darpariaethau mewn perthynas â'r gwledydd datganoledig eraill. Gwrthodwyd gwelliant gan y gwrthbleidiau i ehangu cwmpas y ddyletswydd sylw dyledus i adrannau'r Llywodraeth.

Canllawiau statudol

18. Mae Llywodraeth y DU bellach yn ymgynghori â sector y Lluoedd Arfog yng Nghymru ar gynnwys y canllawiau statudol a fydd yn cyd-fynd â'r Bil. Mae swyddogion Llywodraeth Cymru yn cymryd rhan yn y broses hon.

Yn dilyn adroddiadau Pwyllgorau'r Pumed Senedd ar y Memorandwm Cydsyniad Deddfwriaethol ar y Bil

19. Yn dilyn y gwaith craffu ar y Memorandwm Cydsyniad Deddfwriaethol a osodwyd ar 8 Chwefror gan y cyn Bwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad a'i argymhelliad y dylwn fynd ar drywydd gwelliannau i'r perwyl ei bod yn ofynnol i'r Ysgrifennydd Gwladol gael cydsyniad Gweinidogion Cymru cyn cyhoeddi neu ddiwygio canllawiau neu ehangu cwmpas y ddyletswydd sylw dyledus, ysgrifennais at y Gweinidog Amddiffyn Pobl a Chyn-filwyr ar y mater. Fel y nodwyd uchod, gwrthodwyd y cais hwn.

Goblygiadau ariannol

20. Nid oes unrhyw oblygiadau ariannol i Gymru mewn perthynas â Bil Lluoedd Arfog Llywodraeth y DU.

Casgliad

21. Rydym yn parhau i fod yn ymrwymedig i ddull Bil y Lluoedd Arfog sy'n ymdrin â'r DU i gyd i wella'r modd y darperir gwasanaethau cyhoeddus yn gyffredinol mewn perthynas â Chymuned y Lluoedd Arfog yng Nghymru a ledled y DU.
22. Rwy'n parhau i fod o'r farn y bydd y Bil yn caniatáu i ddarpariaethau ddod i rym ar yr un pryd ledled y DU ac mai Bil ar gyfer y DU gyfan yw'r cyfrwng deddfwriaethol mwyaf effeithiol a chymesur ar gyfer codi ymwybyddiaeth ymhlith darparwyr gwasanaethau a llunwyr polisi o'r rhwymedigaethau a'r amgylchiadau unigryw sy'n wynebu Cymuned y Lluoedd Arfog.
23. Rwy'n cefnogi'r gwelliannau hyn gan Lywodraeth y DU i'r Bil.

Hannah Blythyn AS
Y Dirprwy Weinidog Partneriaeth Gymdeithasol
Mehefin 2021

Mae cyfyngiadau ar y ddogfen hon

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon